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THE INDEPENDENT

FRIDAY 11 JULY 1997

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COMMENT PAGE 19

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Commando swoop on Serbs

SAS kill leading war-crime suspect in shoot-out and arrest underling

Marcus Tanner
and Fran Abrams

British special forces arrested one of Bosnia's leading war-crimes suspects and killed another yesterday in an operation that signals a dramatic about-turn in the attitude of the West towards arresting the men behind Bosnia's atrocities.

The commando-style operation bore all the hallmarks of a dress-rehearsal for the capture of the two principal figures in Bosnia's ethnic carnage - Radovan Karadzic and his army commander, General Ratko Mladic.

One British soldier was shot in the leg as troops, believed to be SAS members, cornered Simo Drijaca, former police chief of Prijedor, who ran murderous "detention" camps at Omarska and Keraterm in 1992.

An army spokesman in Banja Luka, where British troops serving under Nato's S-For (Stabilisation Force) are based, said the operation began yesterday at 9.30am. One group detained Milan Kovacevic, Drijaca's underling in the events of 1992, at the hospital of which he is director. While Kovacevic surrendered peacefully, the simultaneous move against Drijaca in another part of Prijedor ended in bloodshed.

"When S-For approached him and challenged him he opened fire," the spokesman said. "One of our soldiers was wounded. [Drijaca] was then killed when fire was returned in self-defence."

Robin Cook, the Foreign Secretary, said: "I'm very proud of the performance of the British forces in this operation. They have shown considerable courage."

Drijaca inspired terror among Bosnia's Muslims in the war that broke out in spring 1992. A leading figure in Karadzic's ultra-nationalist Serb

SDS party, he was given the key task of clearing out north-west Bosnia's non-Serb majority in April 1992, an operation he conducted successfully and with ruthless zeal. While several hundred thousand Muslims and Croats fled, thousands who failed to make it were rounded up and held at Keraterm and Omarska. When Western television cameras finally entered the camps in August 1992, releasing pictures of skeletal inmates that shocked the world, Drijaca told them: "Why are they so thin? It's Ramadan. They're all fasting."

Yesterday George Robertson, the Defence Secretary, told MPs that Drijaca may have

been involved in some of the most horrific crimes committed there; there were claims that guards committed mass rapes of women, while men held there had claimed they had been forced to bite off other male prisoners' genitals for the amusement of their captors.

Last night Downing Street played down the political implications for Britain of the shootings, saying they were part of a more pro-active international stance rather than an indication that the government's policy would be tougher than the Tories'. Mr Robertson said the action had been sanctioned at the highest levels in Nato and that it had the specific authority of Javier Solana, secretary-general of the alliance, General George Joulwan, Supreme Allied Commander Europe, and Nato's ruling North Atlantic Council.

But the move against a man

of Drijaca's standing undoubtedly marks a seismic shift by the international community from passive observation to actively seeking out war-crimes suspects. UN and Nato forces in former Yugoslavia have had a mandate to arrest suspects since the 1995 US-brokered Dayton agreement but until recently declined to act on it.

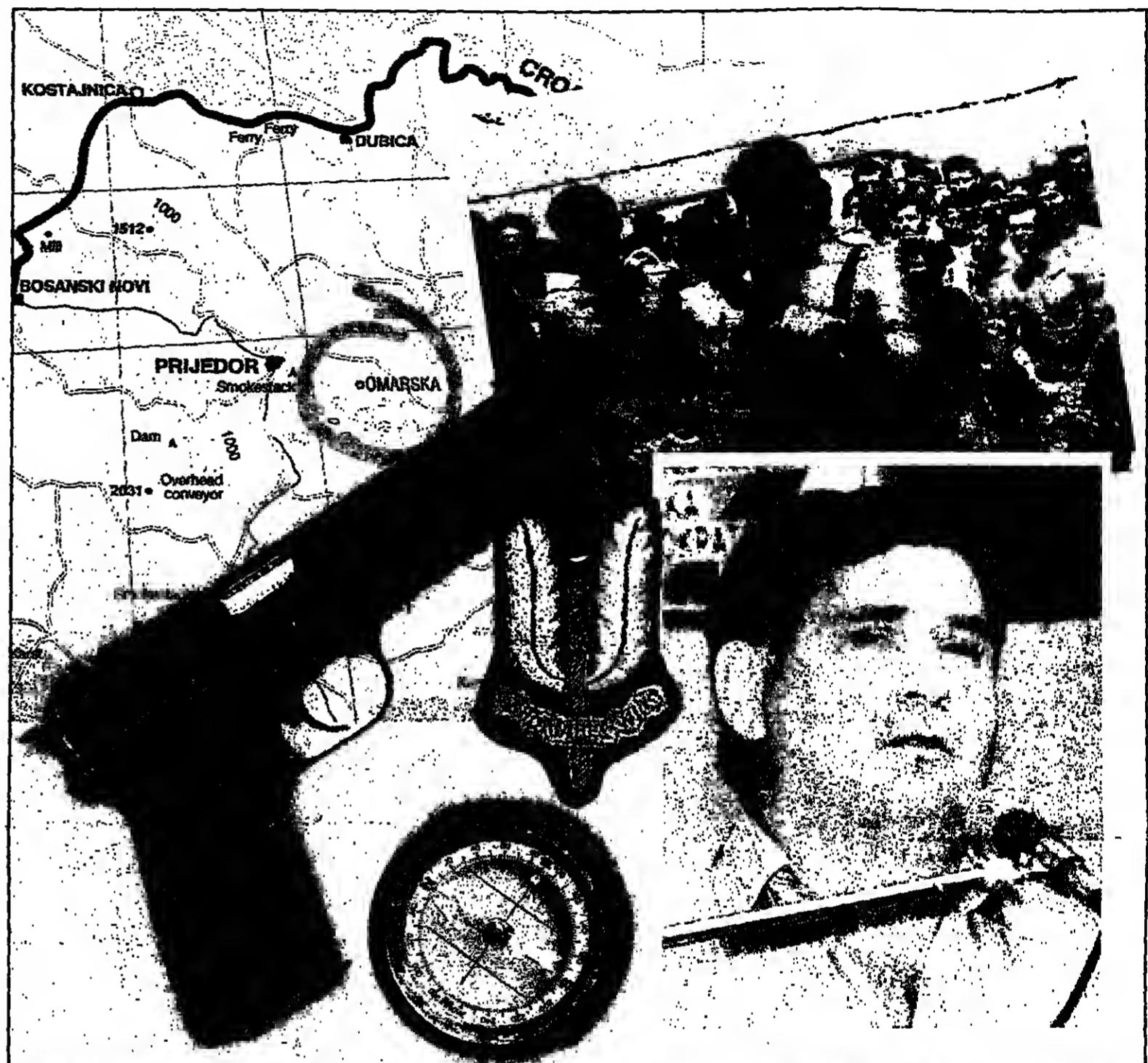
Yesterday's raid is a sign that the big powers involved in Bosnian peace-keeping - Britain, France and the US - have lost patience with a policy that left those responsible for the worst killings still in de facto control of the Bosnian Serb mini-state. "This is an indication ... that we intend business," said Mr Robertson, "and none of these people will sleep any sounder in their beds as a result of this action. I wonder how they can sleep in bed at night at all."

Neither Drijaca nor Kovacevic were on the published list of indicted war-crimes suspects. But the Hague tribunal, under its new Canadian Chief Prosecutor, Louise Arbour, has drawn up - and urged peacekeepers to act on - a new and secret list of suspects.

Last night Kovacevic was flown from Bosnia and taken in a heavily guarded convoy to the side entrance of a Hague prison which houses the international tribunal's 24-cell block.

The tribunal's new, tough stance was endorsed at this week's Nato summit in Madrid. Tony Blair and President Bill Clinton are believed to have discussed the issue at the summit, and on Wednesday Mr Clinton and Gen Joulwan issued strong statement against Karadzic.

"Our mandate is to arrest people who have been accused of war crimes and turn them over for trial," Mr Clinton said. The orders for the arrest of Drijaca and Kovacevic were almost certainly issued immediately after the summit.



Who dares arrests: Indicted war criminal Simo Drijaca (right) and the notorious concentration camp at Omarska which he ran Photomontage: Julian Sau

Bank raises interest rates again

Diane Coyle and
Anthony Bevins

The Bank of England increased interest rates by a quarter point to 6.75 per cent yesterday, the third rise in three months.

This made it only a matter of time before the cost of home loans goes up again, although stiff competition between mortgage lenders meant that not all of them passed on the increase to home-buyers immediately.

Ashley National, with 1.6 million borrowers, raised its mortgage rate by 0.25 per cent, adding more than £7 to the

smoothly payments on an average £50,000 repayment mortgage. The Cheltenham & Gloucester and TSB, with a million borrowers, are expected to announce the same increase this morning. Others, including the Halifax, Nationwide and Woolwich, were still reviewing their position last night.

In the face of criticism of both the interest rate move and the shortcomings of last week's Budget, the Chancellor and the Bank of England expressed their mutual support yesterday.

Business groups said rising interest rates were boosting the

value of the pound and harming their export prospects.

The Confederation of British Industry said the Budget earlier this month should have been tougher on consumer spending, to reduce the risk of becoming seriously out of balance as a result of the mistakes of the previous government, which failed to take the action that was necessary," he told the Commons.

Another Treasury minister yesterday suggested that the Government was concerned to see a reduction in the value of the pound. Helen Liddell, the Economic Secretary, told the Commons that the strength of

"I believe that the measures I have taken and the measures taken by the Bank of England are necessary measures to restore balance to an economy that was in danger of becoming seriously out of balance as a result of the mistakes of the previous government, which failed to take the action that was necessary," he told the Commons.

Norman Lamont, the former Tory Chancellor who lost his seat in the May election, also defended the Bank's move. "The whole point of independence is to remove these decisions from politicians, because they normally duck them," he said.

Business reaction, page 21

Pink coats, red faces and a little blue language

Nicholas Schoon

The sun came out just as the number of hunting supporters massed in Hyde Park, London, yesterday hit the magic figure of 100,000.

After listening to fiery speeches and belting out a rousing chorus of "Jerusalem", the vast crowd of indignant country dwellers and blood-sports enthusiasts streamed back to the shires yesterday, content that they had themselves heard.

It was an ear-splitting, colourful show of resistance to the Worcester MP Michael Foster's Bill to ban hunting with hounds. Despite the scorn and threats heaped on anti-hunting townies, the atmosphere was good-natured and friendly.

But some speeches had a

note of menace which fitted ill with the rally's slogan, "Listen to us". Sam Butler, joint master of the Warwickshire Hunt, warned: "This is the last peaceful march and the last peaceful rally."

Sir Mark Prescott, a vocal supporter of hare coursing, pointed out that a mere 10,000 poll-tax rioters had eventually brought down Margaret Thatcher. "If it's a battle Parliament wants, it's a battle Parliament can have," he said.

But while the crowd shared that sentiment, yesterday their mood was as sunny as the weather. They came from all classes and corners of the nation, taking hundreds of their children out of school for the day - estate, forestry and farm workers, hunt servants, farmers and some proper country gents.

"It's a bit of a scrum, like a

football crowd," remarked one lady, wearing a shirt with a striking pattern of sword hilts, to her friend as she squeezed into the VIP enclosure.

Reg Makin, aged 57, whose farms near Leeds, came down on a coach with other supporters of the York and Ainstey South Foxhounds. He used to hunt, and he approves of the service the hunt offers to putting down sick farm animals and removing carcasses.

Michael Heseltine, Lord Steel, Jeremy Irons and Frederick Forsyth were among the speakers. The strangest speech

this Bill becomes law," he said. The majority opposed to hunting with hounds had "a lack of understanding of these things". The greatest applause came for marchers who had walked all the way from Scotland, the north of England, Wales and the South-West, to make their protest. Some were weeping as they walked off the stage after being presented to the crowd.

William Hague, the Tory leader, popped into the VIP enclosure to register his support, but gave no speech. In fact, the day was made not by speeches but by the crowd, simply turning out and sensing its strength and cohesion.



Young blood: Alastair Newton, 12, has been hunting for four years. Photograph: Brian Harris

Major bowled over

John Major's love of cricket has led him to buy a new home within walking distance of the Oval in Kennington, south London, home of Surrey Cricket Club, where he is a member. Page 8



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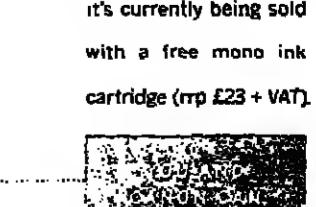


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news

significant shorts

Haughey's £1.3m secret prompts call for new inquiry

Dail Opposition parties are pressing for a new and wider inquiry into suspected large payments from businessmen to Charles Haughey, who served four terms as the Irish Prime Minister, in the wake of his belated admission that he did after all receive £1.3m in secret payments from Ben Dunne, the supermarket magnate.

Both John Bruton, the Fine Gael leader, and Dick Spring, the Labour leader, are demanding an inquiry which would go beyond the McCracken tribunal investigating donations made by Mr Dunne when he headed the family stores chain between 1983 and 1992.

Fine Gael yesterday tabled down a Dail motion seeking an inquiry into "all monies paid to Mr Haughey and in particular to examine whether any such payments were made in return or in advance, of favours sought from or offered by Mr Haughey, ministers in his Government or the Fianna Fail party" he led from 1979 to 1992.

Bertie Ahern, the present Taoiseach, earlier called the Haughey funding revelation "tragic and deplorable".

Alan Murdoch

Children injured in coach crash

Eighteen children and a coach driver were taken to hospital yesterday after a crash involving three coaches carrying primary school children, police said.

The injured were thought to have suffered bruising, whiplash and shock. No one was thought to be seriously hurt. The accident happened on the A317 in Banstead, Surrey, near the Belmont roundabout. Scotland Yard said, adding that the three coaches contained about 130 schoolchildren, all pupils at Cheam Park Farm Primary School, North Cheam.

Cool joke on racing favourite

John McCririck, racing presenter for Channel 4, was attacked by an ice cream-wielding pugilist while he was broadcasting live at Newmarket yesterday. The ice cream was pushed in his face as he was relaying the odds for the feature race, the Darley July Cup. His attacker then ran off. McCririck was momentarily stunned by the assault but then wiped the cream from his eyes and continued his broadcast.

Senior pay awards to go ahead

Judges, senior military officers and higher civil servants have survived Labour's threat to stop the second phase of their pay rise being implemented later this year.

Treasury ministers have found that they cannot halt the second tranche of this year's "top people's" pay award put in place by the then Chancellor, Kenneth Clarke, as they had hoped while in Opposition.

However, Gordon Brown, the Chancellor of the Exchequer, has not ruled out freezing senior salaries next year and will look at the issue again in the autumn.

Young offenders' jail condemned

Conditions for young offenders are so bad at one jail that they may be breaking the United Nations minimum standards for children, according to the Chief Inspector of Prisons.

Sir David Rambotham also attacked the general treatment of young offenders in jail describing them as "appalling and 19th-century". His comments in a report published yesterday follow an inspection of Chelmsford jail in Essex, which houses a mixture of unconvicted and convicted young offenders aged 17 to 21, as well as adult prisoners. There are about 100 young offenders and more than 300 adults held in the prison.

Jason Bennett

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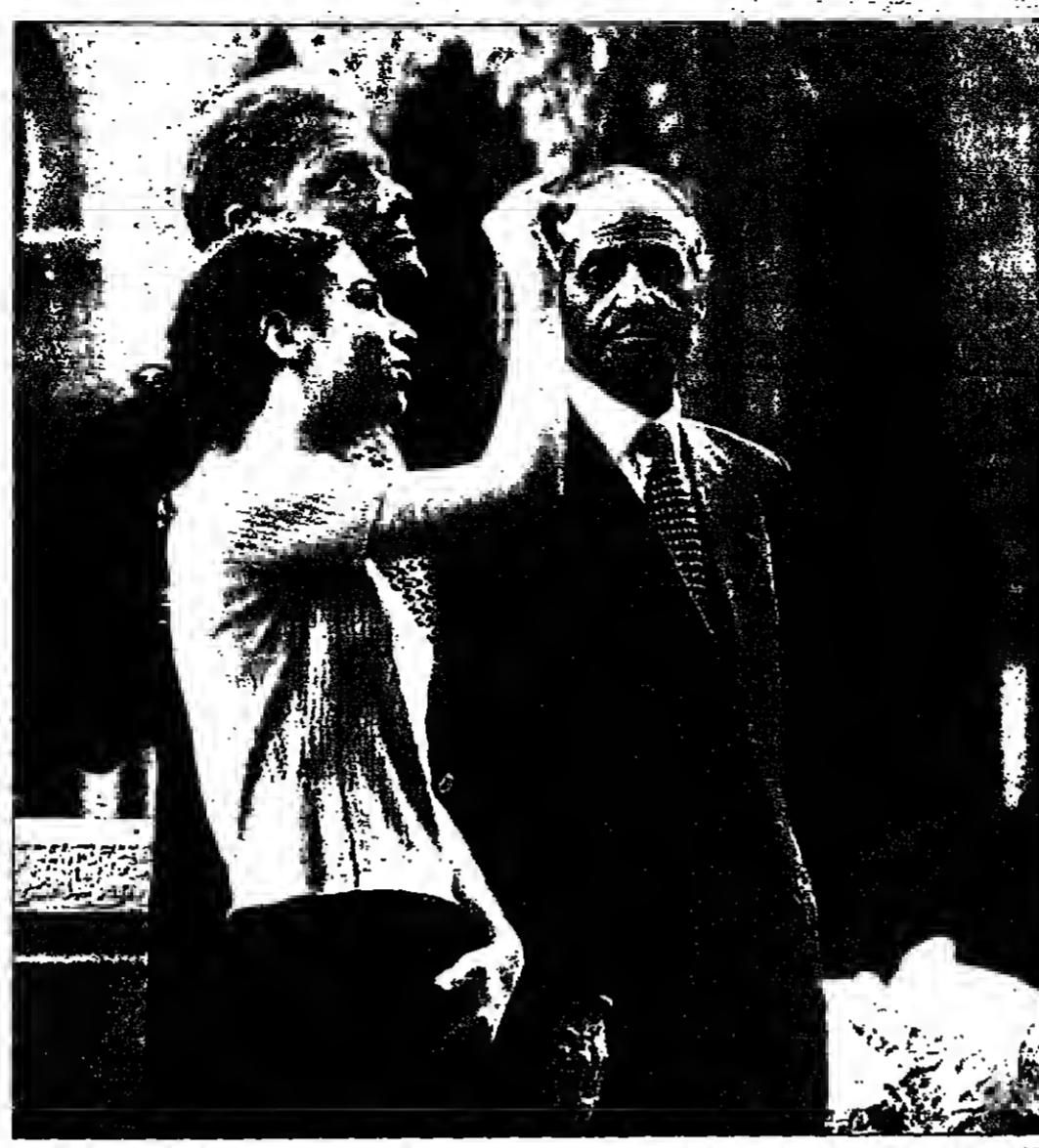
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people



Chelsea, President Clinton and King Juan Carlos admire the Alhambra Palace (Photograph: AP)

Clinton relives the memory of Spain's ultimate sunset

The documents were all signed, the security operation wound down, but Bill Clinton had one piece of business to complete before leaving Spain after this week's Nato summit: to visit Granada to show Hillary and Chelsea "the most beautiful sunset in the world".

As dusk fell, the US President stood with his wife and daughter to watch the last rays of the sun glow on the snowy peaks of the Sierra Nevada, turning the city violet and making the ancient Moorish Alhambra palace appear suspended in the air. He had first visited the city 23 years ago, during his time as a Rhodes Scholar at Oxford, and had been so stunned by its beauty that he resolved one day to return. This week, his wish was fulfilled.

"It was the same time in the evening, the same light, the same colours. Everything is the same, exactly as I remember it," said Mr Clinton, and added, with a little nostalgic half-smile: "Except me: I'm older." To journalists who tried to ask him questions, he said: "Don't work today - just watch."

The presidential party was whisked south in a US Air Force DC9, and King Juan Carlos, Queen Sofia and their son, Prince Felipe, accompanied the Clinton entourage on a tour of the Alhambra and a swift Andalucian supper. Their visit lasted barely four hours, but the city had been subject to security measures for nearly a week. Tourists were turned away on a picture-perfect day, sunny and hot, as the palace was closed to the public.

Hundreds of people lined the highways as the 20-plus cars in the presidential motorcade drove past olive groves with spectacular views of the snowcapped mountains on its way to the hilltop palace.

Inside the palace, Mr Clinton walked the marble floors where the Arab rulers of Granada held court amid bubbling fountains, cool reflecting pools and intricate artwork which make the Alhambra the greatest surviving jewel of Islamic civil architecture.

Prince Felipe accompanied Chelsea, who had joined her parents in Spain at the end of a European tour that followed her high school graduation, along with a friend, Nikki Davison.

There seemed little danger that Mr Clinton would forget such a trip - which he had specially requested to round off his summit - but just to make sure, the Mayor of Granada presented him with the keys of the city and a watercolour by a distinguished local artist of the view that had first captivated him in his student days.

Parts of the Alhambra date back to as far as the 9th Century, but it was built mainly between 1238 and 1358 when the Moors controlled much of what is now Spain.

With the Alhambra as its seat of government, Granada became the last Arab region to fall to Spain when King Ferdinand and Queen Isabella ended 500 years of Moorish rule in 1492.

Elizabeth Nash, Madrid

SUMMER SALE NOW ON

HEAL'S

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Fairytail romance that began with a cunning illusion

It was billed as a fairytail romance between one of the most beautiful women in the world and the cleverest magician on Earth.

She came to see one of his shows and he plucked her out of the audience at random to assist with one of his illusions. Within weeks, Claudia Schiffer and David Copperfield were an item. They were pictured holding hands in the most glittering spots in Europe, her left hand heavy with a sparkling diamond.

But as with all illusions, the reality is somewhat different. It would now appear that Ms Schiffer was, in fact, paid the sum of £12,500 to be pulled out of the audience.

The French magazine *Paris Match* claims that the meeting was a carefully calculated stunt to boost Ms Schiffer's profile in the US and Copperfield's career in Europe.

"It was just a plot to dupe their loyal fans, and we've got the contracts to prove it," said the magazine.

Paris Match has published letters between the couple's agents to set up their first meeting at a show in Berlin in 1993. "David seemed to pick Claudia out of the audience at random, but it was in



fact the first step in a devious and intricately detailed plan," said the magazine.

Claudia was paid £12,500 to be there and her first class tickets to Berlin, hotel suite, Mercedes limo and bodyguard were all paid for by David's PR company, it added.

The details of the contract were to have remained secret.

But there should be a happy ending to every fairytale, and this one turned out to be no exception. Their meeting may have been carefully planned but the couple really did fall in love and are now househunting. Kate Watson-Smyth

First woman director for Royal Society

The Royal Society of Arts has appointed the first woman director in its 243-year history, Penny Egan, currently the RSA's programme development director, will take over next January, following the retirement of the current acting director, James Sanderson.

Mrs Egan, 46, joined the RSA 11 years ago as lecture secretary in charge of developing the Society's annual lecture programme.

"I am very grateful to the Society for originally employing me on a part-time basis when my children were young. I was able to be a mother and hold down a career at the same time. I have proved it to do both jobs at once, and be successful," she said yesterday.

Since graduating from Leicester University, Mrs Egan has worked in arts administration and publicity at the Victoria and Albert Museum and the Crafts Council.

In 1992 she took on responsibility for the Society's arts programme and initiated the advocacy programme, "The Arts Matter". In 1996 she administered the development of RSA projects including the current "Redefining Work" Programme.

Mrs Egan is proud of the RSA's continuous commitment to women's issues. "There have been women Fellows in the society since 1754 and the RSA has always recognised that we have a major role to play in the arts and business. Until now, no one was ready to see women as figures of authority and women were not coming through to these positions."

"The RSA is a unique organisation: independent, apolitical, multidisciplinary and with a Fellowship of over 21,000 it has the capacity to wield huge influence. My mission as Director will be to tell people what the RSA is and what we do."

Rachel Woollett

briefing

HEALTH

Children's intensive care to be reorganised in NHS

Children's intensive care units are to be reduced by up to half, to create fewer, larger centres, providing a higher quality of care, Frank Dobson, the Secretary of State for Health, announced yesterday. Units with fewer than about six beds will be merged in specialist centres staffed by doctors and nurses with experience in treating critically ill children.

No extra beds are to be provided in isolated units, and the care of critically ill children on general hospital wards should cease within a year, Mr Dobson said.

Under guidelines laid out in a report, *Paediatric Intensive Care: A Framework for the Future*, published today, the 280 children's intensive care beds in England will be centralised in about half the current 30 units. An extra £5m is to be provided over the next 12 months to implement the changes.

The plans - which follow complaints that hospitals were repeatedly turning away children because of a shortage of beds - will raise fears that patients will be put at risk by longer travelling times. Any delay in admission can jeopardise recovery.

Mr Dobson, who is to launch the report in Leeds today, said the establishment of lead centres in every area of the country would ensure that the 12,000 children who are seriously injured in accidents or fall critically ill have the best chance of recovery.

Retrieval teams of doctors and nurses trained in intensive care will accompany children transferred by ambulance from referring hospitals.

The National Co-ordinating Group on Paediatric Intensive Care, which produced the report, was set up by the health department last year after an inquiry into the death from a brain haemorrhage of two year old Nicholas Gedda from Stockport, who was ferried between three hospitals in search of a bed.

Although the report does not specify a minimum number of beds for each unit, it says they must be of a sufficient size to sustain highly qualified full-time staff, working exclusively in intensive care. Each bed costs £250,000 a year to run.

Jeremy Lauance

NATURE

On the prickles of a dilemma

The old joke is true. Porcupines do it carefully - select a mate, that is - according to a report today. Research has shown that female porcupines go for the biggest, spiniest males, which have to prove their worthiness by fighting their rivals.

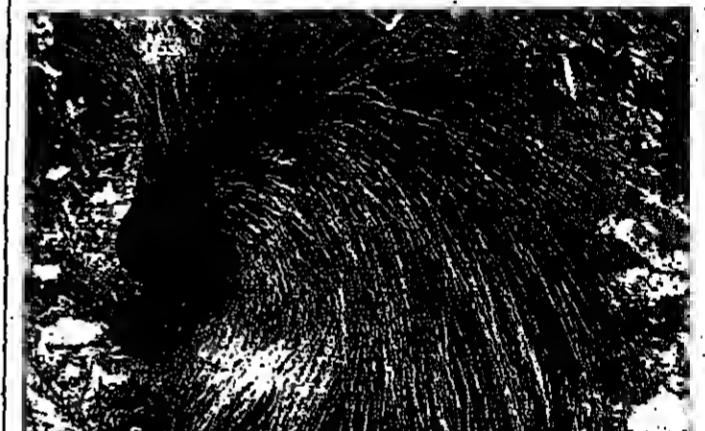
Scientists from the University of California at Davis have been studying the creatures in Nevada for five years. They believe that impressing females may have been as important a driving force in the evolution of porcupine quills as self defence.

It is suggested that female porcupines may opt for males who are the best fighters.

The researchers found that the male guards the female for three days, waiting for her to become sexually receptive. During this time the female makes cat-like calls, apparently designed to invite competition from other males.

Fights inevitably follow, during which males bite each other and snap each other with their muscular tails encrusted with small, sharp quills.

Researcher Rick Swets told *New Scientist*: "After a fight the loser can have anywhere between 30 to 50 quills stuck in his face and chest. It must be extremely painful." However, during sex the females were extremely cautious, and only rarely got spiked.



UNIVERSITIES

Higher education boosts economy

Universities provide Britain with big bucks as well as brains, says a report commissioned by vice-chancellors. A study published yesterday, just a fortnight before the Dearing Committee publishes its conclusions on the future of higher education, highlights universities' contribution to the UK economy.

Though universities receive some £9bn annually in public funding for education and research, the higher education sector now generates business worth over £43bn a year, according to the report.

In total, universities provide jobs either directly or indirectly for more than 3 per cent of the total workforce. In 1995-6, higher education had an estimated international balance of trade surplus of £1.3bn, while the economy as a whole had a deficit of £5.5bn.

Vice-chancellors hope the study, *The Impact of Universities and Colleges on the UK Economy*, will help counter impressions of higher education as a perpetually cash-hungry sector and demonstrate how universities provide value for money. Lucy Ward

SOCIETY

Racist attitudes persist at work

A telephone hotline for people suffering racism at work was expected to hear from just a handful of people brave enough to do so. In fact nearly 100 people phoned the line set up by the Trades Union Congress, some in a desperate state, telling of both subtle and overt abuse.

The results from the hotline, although limited, have created a worrying snapshot image of racism in the workplace. The TUC is now calling on employers to beef up their equal opportunities programmes in a bid to stamp out such abuse.

A report released today reveals that the callers' main complaints were excessive discipline, lack of promotion and unfair overtime allocation.

As many as 14 per cent of callers said they were more likely to be discriminated than their white colleagues. 12 per cent said they were regularly overlooked for promotion while better jobs were being given to white workers with fewer qualifications and/or less service, and a further 12 per cent said overtime was allocated on the basis of race with white workers getting more overtime opportunity than blacks.

However, of most concern was the large number of callers who said they were the subject of direct racist abuse, and that when they complained to their bosses they were often told it was their fault and that they needed to make more of an effort to "fit in".

Matthew Brace

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NEWSPAPERS SUPPORT RECYCLING

Recycled paper made up 43.6% of the raw material for UK newspapers in the first half of 1996

Portraits that tell their own story



I'd rather be thought of through what I'd written
Alan Bennett

David Lister
Arts News Editor

The novelist PD James enjoyed it because she could sit and plot her next book. John Mortimer, creator of Rumpole, found it "absolute agony" because he still fondly believes he looks 19 years old.

The agony and ecstasy of having your portrait painted is described in a series of revealing interviews with celebrities carried out by the National Portrait Gallery.

The taped comments of the artists and their subjects will form part of a new sound guide to the gallery's collection which is being introduced next week.

It is not just the subjects of the portraits but also the artists who give the unique insights into the business of portrait painting. But it is the sitters who have their self-delusions most cruelly punctured.

John Mortimer found himself in a freezing studio with a painter "who wouldn't allow me to either read or talk to him, perched on this sort of pile of furniture, with an inadequate sort of electric fire."

"And the only happy result of it was that we were able to use that place as a scene for a very unpleasant murder in a Rumpole story."

Of the portrait itself, Mortimer adds: "I find it very difficult to talk about because I avoid looking at myself in mirrors and I shave in the bath without a mirror and I only know that I've cut myself when the bath water goes pink. I have very little idea of what I look like. I imagine I look 19 and very thin and handsome, so the picture came as a bit of a shock to me..."

Tai Shen, who painted him, also had a difficult experience, explaining, "It took forever. I think the head took about two months. I had to endlessly scrape it down and start again..."

It took a while too for the great figurative artist Paula Rego to paint Germaine Greer.

The two of them listened to the whole of Wagner's Ring cycle during the six sittings.

Ms Greer says of the result: "I think it's a wonderful picture. I know it doesn't make me look particularly good-looking,

but I'm not good-looking so that's all right..."

"I think it looks like a portrait of intelligence. It's got this incredible flicker about it of energy which is her energy more

than mine. But my image is invested with her power and her concentration."

Ms Greer remembers: "Very slowly, I held my breath and then, slowly, I began to do the

corner of her face, the pencil, pastel, crawled down the side of her face picking up the resemblance as it went along. It was like a fishing-net trapping the face."

Sir Bobby Charlton desired neither power nor a fishing net, but had a hankering to wear his football kit. However, it was eventually decided he was too old and should settle for a track

'It's got this incredible flicker about it of energy which is her energy' Germaine Greer on Paula Rego

on his way to the station. The train times were "sad anoraks".

Philip Butterworth, 31, who has gained an MA from the Institute of Railway Studies at York University, said he was romantic about railways and rail travel. It was his passion which took him away from his home in Sydney, Australia, for two years to study the running of railway workshops in Swindon for his degree.

"I have a love for trains, especially steam locomotives," he said, as he sat in the management centre of York station. "I like the idea of something massive such as a steam locomotive moving through the landscape."

He added: "I'm interested in the social and cultural history of railways and how railway workshops of the 19th century operated. At one time there are more than 14,000 people working at Swindon."

He said there were lessons to learn from the way people with so many different skills worked closely together as a team.

Mr Butterworth, who discovered the degree course in 1995 in the small ads columns of a railway fan magazine, admitted to standing at the end of platforms watching trains come and go, although he said he did not actually take numbers.

He acknowledged the "sad" reputation which seems to haunt train spotters and railway enthusiasts and laughed as he added: "Yes, I do have an anorak. I think train spotters have an image problem, but they do an important job,

recording details of trains today. They provide an independent record which is invaluable, especially if official records were somehow destroyed or failed."

Mr Butterworth plans to return to Australia to study for a PhD at New South Wales University before launching a career in lecturing about railways.

Professor Colin Divall, head of the Institute of Railway Studies, said he was delighted Mr Butterworth had succeeded in his studies.

"He wanted to do the course so much he moved over to England and threw himself into the work. I hope he is the first of many IRS graduates, in fact we are recruiting students now for an October term start," said Professor Divall.

Nine other students have also passed their Certificate in Railways Studies after a two-year part-time course.

The degree course is a joint venture between the IRS, the York Railway Museum and York University.

Archers face up to six-day week

Paul McCann

Eddie Grundy, the fez-wearing man in the English countryside, may find he has more than a new extra parlour to get up and running if Radio 4 bosses get their way.

The fictitious Eddie, whose indolence almost cost him his farm on *The Archers* earlier this year, will find himself working six days a week if a plan by James Boyle, controller of Radio 4, to add another episode to

the radio soap is approved. Mr Boyle, who joined Radio 4 last year, is at present conducting a review of all of the station's output and is reported to be considering putting the extra episode on at weekends. This comes on top of previous plans to extend *The Archers* omnibus on Sundays so it can at last re-play all of the previous week's episodes.

If it is a sop to farmers who have been outraged by Mr Boyle's leaked plans to scrap

Farming Today, it may not work. The everyday tale of farming folk may have started off as an attempt to get farmers to grow more food, but its three million listeners a week are now more likely to live in cities.

An extension of *The Archers* would follow the pattern followed by television in recent years where schedulers have sought to boost listeners by adding extra episodes of *Coronation Street*, *Emmerdale* and *EastEnders*.

If true it also seems to illustrate that Mr Boyle is following a policy of "more of a good thing" to bring the station to more listeners. He has proposed extending Radio 4's other most popular programme *Today*, which is why *Farming Today* may go.

There has also been talk of Mr Boyle being really radical and extending *Today* all the way through to lunchtime as an "umbrella" strand over other programmes.



Stephen Hawking, the scientist and motor neurone disease sufferer, was asked by painter Yolanda Sonnabend to remove his glasses.

She says: "There was this tightness about him. A tightness and a clarity, and of course somebody whose mind knows no frontiers. So it was really getting an expression and I took his spectacles off, because of these wonderful piercing blue eyes, almost like a child actually..."

PD James would think about the pint of her next crime thriller during her sittings.

She says now, using the language of the thriller writer: "I think it's slightly sinister, yes. And there is a great intensity about it. I think there is an intensity about my gaze."

You do feel that things are happening beyond that door, a sense really of menace in the air."

The painter Maggi Hambling gave her self-portrait three arms and three hands

"ooe for everything you need as an artist. I mean one for the brush, one for the cigarette and one for the drink."



PD James

But for Alan Bennett the whole process was torture. "I'd rather be thought of through what I'd written, rather than through my own physical presence," he says, "because I think it's such a dismal physical presence most of the time."

It was Bennett who addressed the question of portrait painting definitively in his fictional dialogue between The Queen and Sir Anthony Blunt, her surveyor of pictures in his play *A Question Of Retribution*.

Blunt assures her that portrait painters "are seldom standard bearers of the avant garde Ma'am."

She responds: "They would hardly be painting me if they were. One doesn't want two noses."

Mind you, that would make one no more unrecognisable than some of their efforts. No resemblance at all. Sometimes

I think it would be simpler to send round to Scotland Yard for an identikit. Still I can understand it when they get me wrong, but some of them get the horse wrong too. That's unforgivable."



'I think there is a great intensity about my gaze'
PD James

Stephen Hawking, the scientist and motor neurone disease sufferer, was asked by painter Yolanda Sonnabend to remove his glasses.

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news



No relation: Neanderthal Man's distinct facial characteristics

Above right: In a family group Photographs: Natural History Museum

How modern man won the biggest battle for his life

Kathy Marks

Despite evidence to the contrary in rugby clubs and City wine bars, modern humans are not descended from Neanderthal Man, according to scientific research published today.

With his stocky build, sloping forehead and massive beetle brows, this primitive hominid never appeared the most attractive of ancestors. Now the first analysis of DNA material from a Neanderthal skeleton provides powerful evidence that he was part of a separate evolutionary branch.

The results are a considerable boost to the anthropological theory that human beings originated in Africa about 200,000 years ago and then colonised Asia and Europe, displacing other species. But they will infuriate proponents of the rival hypothesis, that our forefathers left Africa about two million years ago and migrated to other continents, where they evolved into *Homo Sapiens*. Heated and at times vitriolic debate has raged between the two camps for the past decade.

The research, which is published in the American science journal *Cell*, was carried out by a team at the University of Munich's Zoological Institute. Their subject was a skeleton fossil discovered in the Neander Valley, near Dusseldorf, in 1856, and regarded as the prototype Neanderthal specimen. The



scientists took a tiny fragment of bone from the fossil, which is estimated to be between 30,000 and 100,000 years old. For the first time, they performed the highly difficult task of retrieving a genetic sample from an extinct species. The DNA that they analysed was so different from that of modern humans that any direct link between us and Neanderthal Man appears to be ruled out.

Professor Svante Paabo, head of the Munich team, told a press conference in London yesterday that although the two hominids co-existed in Europe and the Middle East for a period, their last common ancestor probably dated from more than half a million years ago. While

the precursors of modern humans thrived and flourished, Neanderthal Man evolved separately, reaching an evolutionary dead-end about 30,000 years ago. "The results clearly lend support to the theory that we all came out of Africa quite recently in history," said Professor Paabo.

Chris Stringer, of the Natural History Museum, one of the world's leading palaeontologists, hailed the work of the Munich scientists as a *tour de force*. "In palaeontological terms, this is the equivalent of landing the Pathfinder on Mars and getting it to work," he said. "The Neanderthals were very human-like, but that does not make them our ancestors."



Survival of the fittest: Although Neanderthals and Homo Sapiens co-existed, a direct link appears to be ruled out

Straw seeks quick way to sack corrupt police officers

Jason Bennett
Crime Correspondent

The Government is examining ways of improving the scrutiny and punishment of dishonest police officers. Jack Straw, the Home Secretary, confirmed yesterday.

It is understood that he is sympathetic towards chief constables' pleas for a less rigorous requirement in the level of proof for an officer to

be dismissed. Mr Straw's comments follow an interview in *The Independent* in which Edward Crew, the Chief Constable of West Midlands police, revealed that he knew of corrupt police officers in his force but was powerless to dismiss them because of protective practices. He said:

"There are people working in this force that wouldn't be employed by Sainsbury's... I have officers in this force who should not be serving po-

lice officers. If we were assessing their standards of behaviour to the standard required of other employers, these people would not be working."

The Home Office confirmed yesterday that it was carrying out a review of the procedures. Mr Straw said: "Corrupt officers have no place in a modern and accountable police service. It is crucial that we have a police discipline system which has the confidence and support of the pub-

lic, and which, at the same time, protects police officers from malicious accusations. I am carefully considering the representations I have had from the Association of Chief Police Officers (Acpo), the Police Federation and other interested parties about changes to police disciplinary procedures."

Mr Straw has also expressed concern at the number of police officers taking early retirement on medical

grounds while under investigation.

Police chiefs in England and Wales want the standard of proof that an officer is guilty of corruption or gross incompetence to be made less onerous than "beyond reasonable doubt". Civil cases, industrial tribunals and disciplinary hearings involving police officers in Scotland all use the lesser standard of "balance of probability". Where there is evidence of gross malpractice, they

also want the power of instant dismissal.

Paul Whitehouse, Chief Constable of Sussex, and Acpo spokesman, said the proposal was intended to make it easier for senior officers to address all forms of police misbehaviour. "We should be able to deal effectively with the very small number of officers who do not come up to the high standards required." The independent Police Com-



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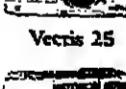
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The fairer sex takes a swing for golfing equality

Rigid attitudes have kept Britain's golf clubs a male preserve. Jojo Moyes reports

On the pleasant green fairways of Langley Park Golf Club in Beckenham, Kent, the ladies agreed: *Coronation Street's* ratings must be going down. Why else would the actor Johnny Briggs, better known as the chauvinist Mike Baldwin, opine in a magazine that women golfers were "an abomination ... take liberties, don't know the rules ... and take over everything like cockroaches".

"You can't take it seriously," said Maureen Hitchens, who has played golf for 10 years. "We know that attitude exists - there's probably one of him in every club - but it says more about him than it does about women golfers." Her friend, 23-year-old Michelle Donovan, who plays off 17 after just two years, agreed. "I laughed when I saw it. I wouldn't take him seriously for a minute. I think they're very sad." She added: "It's very much an age thing as well. Some of these men just feel threatened."

But some of them don't need to. Whatever Mr Briggs' feelings, Britain's golf clubs are still overwhelmingly a male preserve, according to players. They may agree with equality in theory, but practice was quite another matter.

Michael Lunt, secretary of the 1,300-member Royal Mid-Surrey Golf Course in Richmond, south-west was keen to stress the admirable qualities of its 350 lady members. "By and large ladies behave extremely well on the course, equally as well as men if not better," he affirmed. But this did not necessarily mean they got equal access to



Par for the course: Kent golfer Michelle Donovan laughs at the sexist comments made about women golfers by the Coronation Street actor Johnny Briggs (below). Photograph: David Rose

his course. "They don't have equal access. They're not allowed in the men's bar, there's a mixed bar. Otherwise they have pretty well equal rights. There are some restrictions on one of the courses which they can't play on, but to my opinion considering they pay two-thirds of what men pay here they get the best deal on any course," he said.

"I know some people would like to vote on club matters at the AGM but there are others that are happy with the status quo. They run their own operation in fact." So significant numbers of women didn't want to

change things? "I wouldn't know if significant numbers wanted to change things."

According to Liz Kahn, a golf writer and author of *The LPGC: The unauthorised version*, the Royal Mid-Surrey is far from unusual. "In most clubs in the country most women

don't have the vote, don't have access to all the bars, they don't pay the same subscription - even if they want to - and they are restricted at weekends. A lot of these clubs seem to work on the basis that women will play on weekdays after they've done the housework," she said.

On the Continent, she said, clubs were completely mixed and equal - "they can't believe what goes on here." Mrs Kahn, who has been writing on golf for nearly 30 years, said she was known as "the Suffragette". On account of the number of men-only areas she had been "removed"

from. One golfing association had told her she couldn't join "as they didn't give women's prizes". "I said 'what do you give, balls?'".

She said things have changed, but painfully slowly. Part of the problem is the self-perpetuating nature of the clubs. "There are a lot of men in golf clubs who have very rigid attitudes and unfortunately golf clubs attract these sorts of people. They reinforce each other by including people who join the clubs who think as they think. They don't invite radicals."

The other problem is the women themselves. "The problem is that a lot of them won't make a fuss. The club is their life and their husband is probably paying the subscription. If they rock the boat he gets it, you know. 'What's your wife doing creating trouble?'"

Second wave set to join BA stoppage

Barrie Clement and Randeep Ramesh

British Airways last night faced the prospect of further stoppages by 9,000 ground staff after a second day of action by cabin crew caused severe disruption to flights at Heathrow and Gatwick.

Although the airline claimed that it had managed to get 20 per cent more flights into the air from Heathrow, that still only saw 69 services operating - a paltry chunk of the 200-plus take-offs in the timetable.

Amid the chaos of the three-day strike by stewards and stewardesses, leaders of BA's airport workers were also considering whether to set the date for the first of a series of walk-outs in protest at the sell-off of the airline's catering division.

Union sources said the 1,400 workers - also with the Transport & General Workers Union - directly affected by the planned sale had thrown out fresh proposals from management giving additional guarantees about their terms and conditions after the division was sold off.

Although BA has trained managers to take over the duties of ground staff and recruited alternative personnel to service aeroplanes, industrial action by a second group of em-

ployees would cause far worse disruption. BA has already been forced into hiring aircraft replacement crews to staff key services.

Operations manager Michael Street said that BA had chartered seven aircraft, complete with crews, to help combat the strike - and would have brought in more if they could have done.

George Ryde, the union's national officer for the civil aviation industry, was "surprised" over BA's decision to lease seven planes yesterday.

"Many of their own aircraft have been left unused because of the strike. The only reason for leasing others would be for their cabin crew," Mr Ryde said.

The airline claimed that more staff turned up for work and 20 per cent more flights got away than Wednesday.

However, the number of stewards and stewardesses phoning in sick increased to 1,700, leading to cancellations at Heathrow and Gatwick.

BA also warned that flights would continue to be hit after the end of the strike on Saturday morning.

Executives said they had run all the services they had planned yesterday and hoped to increase flights by 20 per cent again today.

'His message was clear: come back or face the sack'

British Airways has repeatedly denied staff and union claims that they had been "bullied" or "intimidated". A senior stewardess, fearful of being dismissed, gives her reply anonymously:



ties that I, and others, have had to endure. There are few crew who, thanks to the management style, have a good word for Mr Aylring.

Staff have all received letters which are designed to scare. These tell those staff on strike they will get no promotion until the year 2000; will not be paid any basic pay until BA obtains "full value for services"; and lose staff travel concessions until the end of March 2000. Members on strike will have letters "placed on file".

Is this anyway to run an airline? Staff and management disagree over pay and conditions. We have voted overwhelmingly for this action.

That is our right. Is it Mr Aylring's to demoralise and destroy crew?

I am a middle-aged, middle-class, mother-of-two with a mortgage. I am no militant. I am on strike. But I do not expect to be treated like this.

Wimbledon. Although I saw the rest of the match, I could not remember a stroke. His message was clear: come back or face the sack.

Many of my friends in BA have sought medical help. The stress of dealing with managers has made them ill. I feel sick just thinking about the tac-

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6 politics

RUC chief calls for restraint on Twelfth

David McKittrick
Ireland Correspondent

A flurry of meetings took place in Belfast and Derry yesterday in attempts to avoid confrontation at tomorrow's controversial Twelfth of July Orange parades in the two cities.

In an unusual move, Ronnie Flanagan, the RUC chief constable, visited the Orange Order's headquarters in Belfast for discussions on the parade scheduled to pass through the Catholic Lower Ormeau district of the city.

His visit was seen as an indication of the seriousness of concerns that trouble could flare in the area in the wake of last weekend's Drumcree march, which generated widespread nationalist anger. Mr Flanagan said:

"This was one of a whole series of ongoing meetings to discuss aspects of Saturday's parades. Everyone of any influence whatever should do all that they can to urge restraint."

Among those involved in the talks was Lord Molyneaux, the former leader of the Ulster Unionist Party. In the Lower Ormeau, meanwhile, Canon Peter McCann said there was

"terrible anxiety" since Catholics believed the authorities intended to force the parade through the area.

In Derry, several dozen representatives of political parties, community groups and the churches attended a meeting convened by Martin Bradley, the nationalist Social Democratic and Labour Party mayor, aimed at reaching agreement on Saturday's march. But representatives of the Orange Order and the Unionist parties did not take part, so no formal accommodation has yet emerged. Mr Bradley said no more meetings were planned, but his door remained open for face-to-face talks.

"We will still try to hope the Orange Order comes forward and offer some solutions, but we just don't know," he said.

But Alan Lindsey, the city's Orange grand master, dampened hopes that he would meet the mayor, and said the group still planned to press ahead with the parade despite the threat of violence.

The Catholic Bishop of Derry, Bishop Seamus Hegarty, appealed for calm and asked everyone to refrain from acts of violence or inflammatory



Tension rising: A heavy police and military presence is building on the streets of Belfast

Photograph: Peter Macdiarmid

words which could inflame the present tense situation. His advice was, however, instantly spurned by loyalist and republican paramilitaries.

The Irish National Liberation Army warned parents to be careful with their children, declaring: "In the days to come, our units may be called upon

to actively engage loyalist and crown forces gunmen. It is imperative that no civilians are endangered or hamper these operations."

The loyalist Ulster Freedom Fighters, meanwhile, warned republicans to desist from attacks on Protestant areas, saying there had been attacks on

families and businesses and on Orange halls. The UFF said it would "protect loyalist areas from republican aggression." A loyalist died earlier this week when a UFF bomb exploded prematurely in South Belfast.

■ A 14-year-old West Belfast boy hit by a plastic bullet on Sunday night was

improving slightly today after being moved out of intensive care. Meanwhile, a Shankill teenager, Craig McCann, who was shot in the shoulder by a gunman near Belfast's "peace line" on the same night, was progressing well at Belfast City Hospital.

Ian Burrell

Labour members of the European Parliament have rejected attempts by the party's Millbank headquarters to impose a new code of discipline to limit them in criticising party policy.

The new code, which had been accepted by the Parliamentary Labour Party, would have made MEPs liable to being disciplined for breaching a commitment to "do nothing that brings the party into disrepute".

But at the conclusion of their annual general meeting in Brussels this week, Labour MEPs refused to agree to the changes on the grounds that they were open to too wide an interpretation.

Alex Falconer, the MEP for Mid-Scotland and Fife, said: "We currently have standing orders which serve as a disciplinary code and have worked very well for us for 10 years."

Last month, it emerged that Millbank officials had compiled a "charge sheet" of offences said to have been committed against the party by Hugh Kerr, the left-wing MEP for Essex West and Hertfordshire East.

Among the "misdeeds" was an allegation that Mr Kerr heckled Tony Blair at a private reception at last year's party conference in Blackpool. The charge sheet further alleged that Mr Kerr heckled Margaret McDonagh, a senior party official.

Labour officials said later that the file on Mr Kerr had been compiled in order to rebut criticisms if the MEP defected to Arthur Scargill's Socialist Labour Party, something he indicated that he might do.

Last night, Mr Kerr said he was delighted by the decision of fellow MEPs to reject the new code of discipline, which was lost on a vote of 23 to 21.

"You would expect those on the left to reject it but there was a group in the centre who thought that the dispute clause was a bit of a catch-all phrase," he said.

"It could be interpreted into what they want it to mean. People felt it was carrying things a little too far."

Labour sources pointed out that the vote was close and that the AGM had been generally positive. "It's the first time that we've had MEPs working with a Labour government and as a result of the meeting the liaison with the party and the government will improve," said a source in party headquarters.

Tories cry foul as Bill rushed

Colin Brown
Chief Political Correspondent

Ann Taylor and Gillian Shephard clashed yesterday in the Commons over the Government's decision to impose the guillotine on the Finance Bill putting the Budget into effect.

The Leader of the Commons and her Tory shadow were involved in a heated row after Mrs Shephard accused the Government of acting in a high-handed manner by steamrolling the Budget legislation through the House.

Mrs Shephard claimed that it was unprecedented for force to be used through the Commons committee stage within 12 days of the second reading, which took place yesterday. She protested that it left the City institutions too little time to make representations about the detail in the Budget.

The Tories suspect that the Government's haste is partly motivated by a desire to avoid

a campaign building up from the City against the Budget, tax changes which will hit pensions.

There has never been a gap of only 12 days between the publication of the Finance Bill and the committee stage. Under the Conservatives, that gap was sometimes 84 days or over 100 days. The reason is to give sufficient time for the institutions to have an input but they are preventing that from happening," said Mrs Shephard.

With an overwhelming Labour majority, the Opposition has little hope of changing the timetable for the Budget legislation.

Mrs Taylor strongly defended the decision to press ahead with the Finance Bill, after announcing in the Commons that the House will rise for the Summer recess on 31 July. The time was shortened by the timing of the general election, which left Gordon Brown, the Chancellor, little option but to steer the bill through at the double.

INDEPENDENT ON SUNDAY

INCLUDING

JOHN UPDIKE
ON THE BOOKS
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JEANETTE
WINTERSON'S
24-HOUR DOG

ALAIN
DE BOTTON
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LOVER

WILLIAM BOYD
IN FRANCE

PLUS
JIM CRACE
BHARATI
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IN THIS WEEK'S SUNDAY REVIEW

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Dixons

There's a Great Deal going on

From exile in Jersey, a 92-year-old millionaire prepares to do battle for the land of his fathers

Big money is behind campaign against Welsh devolution. Ian Burrell reports

A 92-year-old multi-millionaire living in tax exile in Jersey is attempting to block devolution for Wales by making his fortune available to campaigners opposing a Welsh assembly.

Sir Julian Hodge, a financier who grew up in the south Wales valleys, said an assembly would be an enormous burden to taxpayers, add unnecessary bureaucracy, and threaten Wales's representation at Westminster.

His announcement yesterday is the most significant setback to the campaign for a Welsh assembly since Llew Smith, the Labour MP for Blaenau Gwent, said that he had been threatened with expulsion from the party if he continued to speak out against devolution.

Yet pro-devolutionists were quick to seize on Sir Julian's intervention as evidence that the debate had turned into a battle between people living in Wales and Welsh exiles.



Speaking out: Sir Julian Hodge at home with his dogs - 'I don't think an assembly will be good for the nation'. Photograph: Western Mail

Darren Hill, national organiser of the "Yes" campaign, based in Cardiff, said: "The 'No' campaign at the moment consists of Llew Smith, the Conservatives, Viscount Tonypandy and a few exiles. It's scarcely representative of Welsh life."

Peter Hain, Under-Secretary of State at the Welsh Office, said Sir Julian's intervention was unlikely greatly to affect the referendum vote in September. "The Yes campaign has young active businessmen and women, pop stars, politicians, sportsmen and women and represents a cross-section of opinion on Wales," he said. "Whereas this seems to be a geriatric campaign."

"Who's going to pay the cost of it - and what good is it going to do?"

Sir Julian ran into controversy last year when he offered to contribute up to £5m towards the cost of building a new Roman Catholic cathedral in Cardiff.

Earlier he said: "I love Wales and

have done everything possible to promote it and everything Welsh, but I don't think an assembly will be good for the nation from a hustings point of view.

The plan was rejected by Archbishop John Aloysius Ward on the grounds that the present building was adequate.

Others were more critical of the offer. The Very Reverend Administrator of St David's, Fr Bernard Whitehouse, 70, said: "Sir Julian is a generous man, I'm sure. But would it be a Roman Catholic cathedral he is proposing or a Hodge cathedral?"

Sir Julian, who is a socialist and long-standing friend of Viscount Tonypandy, the former Commons speaker, wants the anti-devolutionist campaign to be non-political.

The Yes campaign is to be stepped up tomorrow with a conference addressed by Ron Davies, Secretary of State for Wales. Also speaking at the conference will be Viscount St Davids, the first senior

Tory to come out in favour of devolution.

Government sources said the Prime Minister would be throwing his weight behind the Yes campaign with several visits to Wales during the coming months.

Techniques used by Labour's Millbank staff during the election campaign are also to be deployed in Wales as part of a huge publicity drive in favour of devolution.

Blair to make 30 peers to tackle Tory bias

Colin Brown
Chief Political Correspondent

Tony Blair will create 30 life peers as the first step to tackling the in-built Tory majority in the House of Lords, to strengthen the Government's forces for a confrontation with Tory peers over devolution for Scotland and Wales.

Labour leaders in the Lords believe they will still be under strength after the list of 30 working Labour peers is produced at the end of the month, and the creation of more working Labour peers will be needed.

Labour's case will be strengthened by John Major's resignation honours list, which will create 12 new Tory peers, who are expected to include the former Cabinet ministers David Hunt, Ian Lang, Roger Freeman, Norman Lamont, and possibly Sir Marcus Fox, the former chairman of the 1922 Committee of Tory MPs; William Waldegrave, Michael Portillo, and Malcolm Rifkind, who all lost their seats in the general election, are understood to have turned down peerages.

William Hague, the Conservative Party leader, has nominated three more Tory peers for the working list, and Paddy Ashdown, the Liberal Democrat leader, has nominated 12 peers. One senior Liberal Democrat source said: "The Tories have been asking for it because they have created lots more life peers than Labour over the past 18 years. There is nothing unconstitutional about this. In fact, Labour need far more."

Lord Richard, the Labour leader in the House of Lords, has told the Prime Minister that he desperately needs more troops to cope with the weight of business now facing the Lords.

Labour estimates that of the 1,045 lords eligible to attend in 1995-96, they had 111 peers (96 life peers and 15 hereditary), the Tories had 466 (146 life and 320 hereditary), and the Liberal Democrats 56 (32 and 24). On the cross benches there were 112 life peers and 192 hereditary peers. There were 26 bishops, and 108 others.

Lord Richard privately believes it would be unrealistic to create sufficient Labour life peers to match the Tories' total of life peers over the term of the Parliament or to overturn the Tory majority. "I don't think either is possible. What I want is reinforcements," he has told senior colleagues.

The Tory lords will not try to kill the Bills to set up a Scottish Parliament and a Welsh Assembly, but they will challenge the Government over the detail.

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news

Major bowled over by his Oval house

Colin Brown
Chief Political Correspondent

John Major is moving house to be near his first love – cricket. Cleaver Square, Kennington, may be one of the most sought-after Georgian Squares in south London, but the clincher for Mr Major was the fact that it was within half a mile of the Oval, the home of Surrey Cricket Club, where he is a member.

Mr Major, who once nursed the ambition of being a professional batsman in Surrey's kit, always found time for cricket when he was Prime Minister, asking for Test match scores on the scrambler wherever he was abroad.

On the day after the general election, he eased the pain of defeat by taking the family to the Oval to get away from it all. And when Hong Kong was being handed over to the Chinese, cricket came first. Mr Major eschewed the ceremony and stayed

in Britain to attend the memorial service for Denis Compton. The Majors' new home also happens to be a short drive away from Westminster, but now that he has more time on his hands, Mr Major is expected to be sneaking off more often to see a few more maidens bowled at his beloved club.

Norma Major, on the other hand, may have doubts about becoming a cricket widow after their holiday on Sardinia's Costa Smeralda on the yacht of the multi-millionaire John Paul Getty II, a fellow cricket fanatic.

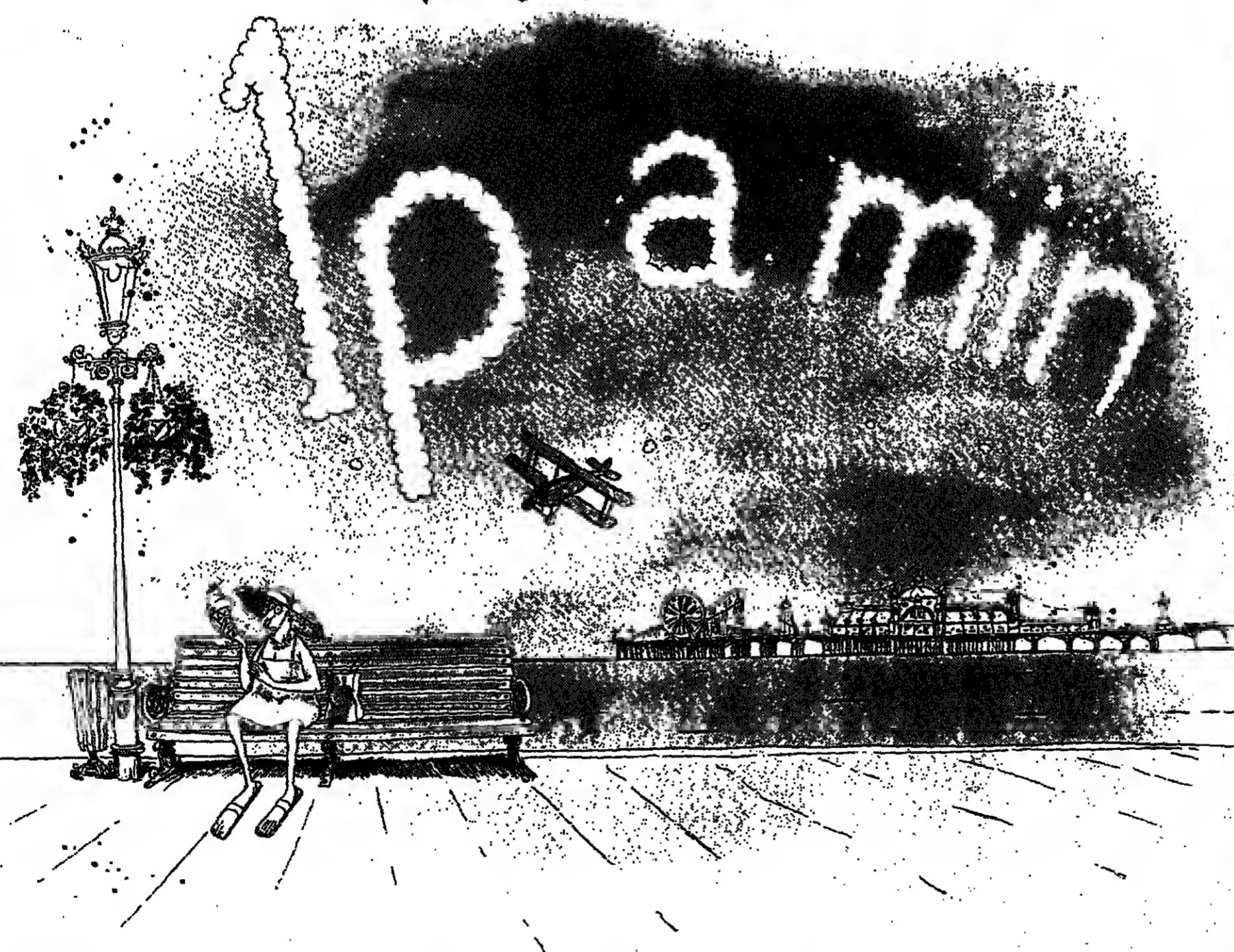
They first met in a box at the Oval and Mr Getty allowed the Majors to stay at his house in Cadogan Square, in central London, after they left 10 Downing Street.

Mr Major is now joining an expanding band of politicians who are being attracted to Kennington, where 3- to 4-bedroom houses typically sell for not less than £500,000. The Majors' neighbours will include Roger



Howzat: Cleaver Square in Kennington, a short distance from both the Oval and Westminster, which will be home to the Majors. Photograph: Kalpesh Lathigra

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Half of train inquiries ignored

Randeep Ramesh
Transport Correspondent

Train companies were warned by the rail regulator yesterday they face fines totalling millions of pounds unless the recent performance of the national telephone inquiry service does not improve.

This warning will hit the 22 train operators hard. A spokeswoman for John Swift, the rail regulator, said that the last complete set of figures showed that 45 per cent of calls to the train inquiry service went unanswered.

This is little improvement on figures earlier this year, which showed that 49 per cent of calls were not taken in April and 35 per cent in May.

The regulator's targets state that 90 per cent of all calls should be answered. Mr Swift said there had been no sustained improvement on the "awful" performance of the service in April.

Unless the service improved within 28 days, a final enforcement notice would be issued and fines amounting to hundreds of thousands of pounds imposed on operating companies.

The penalties are severe. Under the fines system, if more than 25 per cent of calls are not answered then train companies will be fined £200,000 per percentage point of calls not taken.

However, the Railways Act does not allow the regulator to fine an operator for the first offence. This means that should the service improve in August – meeting Mr Swift's targets – it leaves him powerless to act.

The train companies had annoyed the rail regulator's office last month by not bringing the failing service to his attention. The regulator now gets a weekly bulletin containing all the figures.

Officially known as the National Rail Enquiry Service, the service is administered by the Association of Train Operating Companies (Atoc).

In April last year, the system had 80 different numbers. These were replaced by a single number in October 1996 and the whole system franchised to the private sector. This has seen calls from London answered by operators in South Wales, many of whom are unaware of the local destinations.

Since the autumn, performance had been climbing steadily. A spokesman for Atoc claimed the system was handling nearly "one million calls a week". "We are confident of improving the service," he added.

The railway industry was also chided yesterday by safety watchdogs who called for old-style "slam-door" railway carriages to be phased out, amid concerns over their crashworthiness. Nearly 2,300 of the Mark 1 carriages, built between 1959 and 1974, are still in regular passenger service.

The carriages are believed to have caused deaths in crashes – including the 1988 Clapham disaster – because of a tendency to "ride over" carriages ahead.

Jenny Bacon, the director general of the Health and Safety Executive, announced yesterday the launch of a consultation exercise which may hasten the phasing out of the carriages.

DAILY POEM

Mirror Image

By Louise Glück

Tonight I saw myself in the dark window as the image of my father, whose life was spent like this, thinking of death, to the exclusion of other sensual matters, so in the end that life was easy to give up, since it contained nothing; even my mother's voice couldn't make him change or turn back as he believed that once you can't love another human being you have no place in the world.

Originally published in *Amrit* (1990), "Mirror Image" appears in the collected volume of Louise Glück's First Five Books Poems just published by Carcanet (£9.95).

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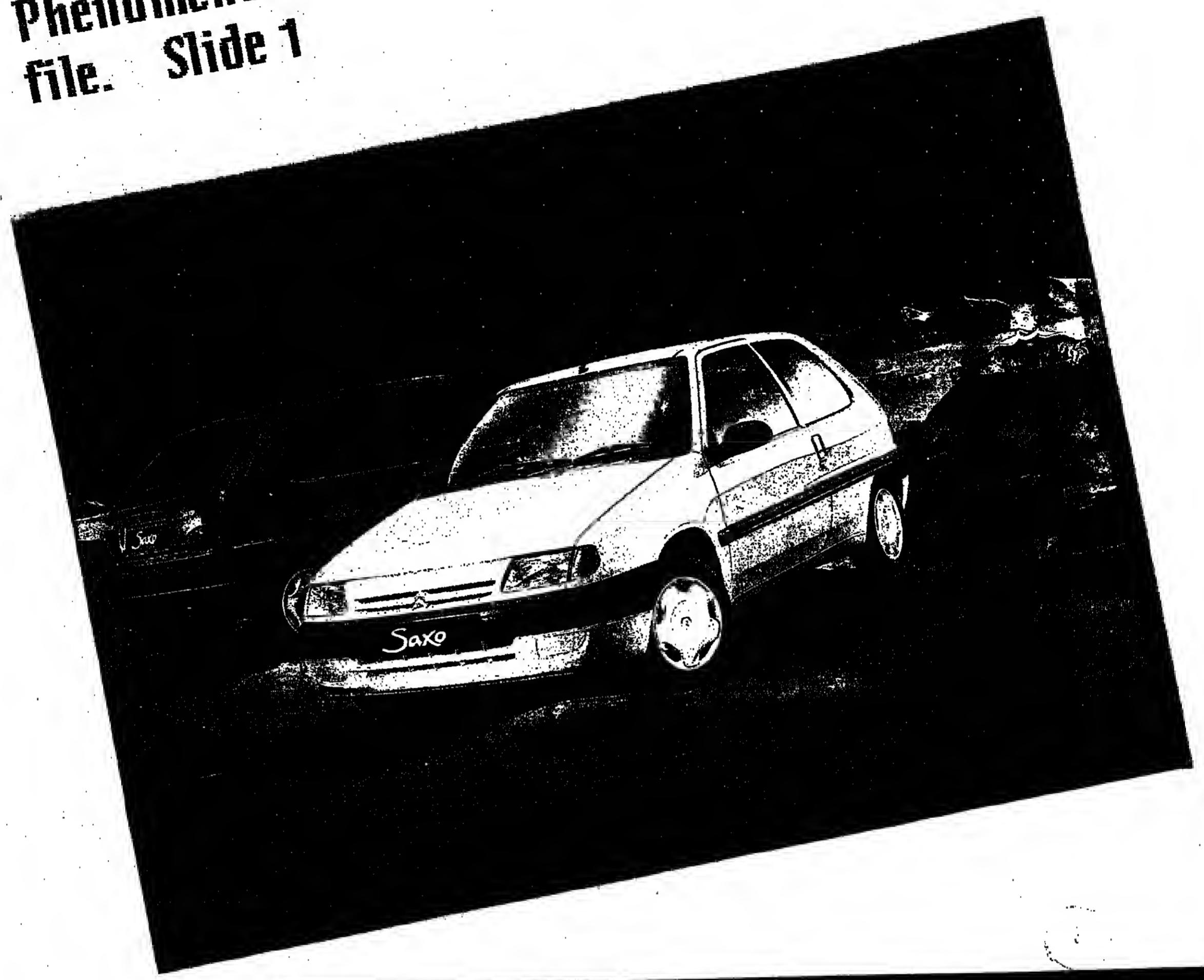
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Net closes in on Bosnia's wanted men

The military raid on Prijedor reflects a change in UN and Nato strategy to actively seek out suspects

Marcus Tanner

Yesterday's military operation to capture two of Bosnia's leading war crime suspects suggests the net is closing in on the former Bosnian Serb leader, Radovan Karadzic, and his army commander, General Ratko Mladic.

Those two men, the most important figures in the Bosnian Serbs' bloody war of expansion against their Muslim and Croat neighbours, were still holed up in eastern Bosnia - Karadzic in his Pale fastness just outside Sarajevo, and Mladic in a bunker near the little eastern Bosnian town of Han Pijesak.

Although British army spokesmen yesterday refused to confirm that they have any immediate intention of capturing the kingpins in the organised carnage of 1992, there is no doubt the United Nations and Nato have now dramatically changed their strategy - from waiting for suspects to fall into their net to actively seeking out.

It is possible that an attempt to capture Karadzic and Mladic could follow at any moment.

British special forces who took part in yesterday's raid in Prijedor will have been heartened by the lack of any popular reaction among Bosnian Serbs to the arrest of two of their most significant former leaders, and the death of one of them.

The arrest of Simo Drjaca, the former police chief of Prijedor, who ran the infamous de-

tention centre of Keraterm and Omarska between April and December 1992 and a key figure in the Bosnian Serb power structure, marks a milestone in the international community's attitude towards the arrest of war crime suspects.

Never before have either UN or Nato peace-keepers dared to go out and snatch a man inferior only to Karadzic and Mladic in importance in the Serb hierarchy, and thus risk an armed showdown with his bodyguards.

The bloodshed that resulted from the attempt to grab Drjaca, which took place at about 9.30am in Prijedor, was only a hint of the carnage that might ensue from any attempt to take either Karadzic or Mladic.

Drjaca was clearly surprised, and when he opened fire on the British troops seeking him, wounded only one of them before he was gunned down in what an Army spokesman in Banja Luka said was self-defence.

Karadzic is reported never to be without an escort of at least 50 well-armed bodyguards, most of whom can be assumed to go down fighting rather than join their master in the dock in The Hague.

Madeleine Albright, the US Secretary of State, launched the new, much tougher, policy towards arresting war crime suspects last month on a tour of former Yugoslavia.

When she met Slobodan Milosevic, of Serbia, Franjo Tudjman, of Croatia and Biljana



Action station: British soldiers serving with S-For standing guard at a checkpoint near Prijedor after yesterday's military initiative
Photograph: Srdjan Ilic/AP

Prijedor. If Prijedor is not off limits, neither is Pale nor Han Pijesak.

The question, however, is whether this new active policy of seeking out war criminals is shared equally by the Western powers involved in S-For. New Labour's determination to put ethics at the heart of foreign policy has clearly played a part in yesterday's events in Prijedor.

But the British "zone" in Bosnia is limited to the north-west. Karadzic and Mladic are in the east of Bosnia, where the French and Italians are supreme; it is not certain that the French - traditionally the most sympathetic to the Serbs of the Western powers - want to go after two leaders far better armed and less likely to be surprised than the former boss of Omarska and Keraterm.

Plavsic, the leader of the Bosnian Serb state set up under the 1995 Dayton accord, she spent out that Washington was losing patience over the non-delivery of indicted suspects to the tri-

bunal in The Hague. She was also reported to have struck an accord with Mrs Plavsic, in whose field the largest number of suspects are lurking. Certainly, as soon as Ms

Albright left Mrs Plavsic's Banja Luka headquarters, Radovan Karadzic escalated his simmering dispute with Mrs Plavsic virtually into open warfare. The new tougher approach

bore fruit only days later, two weeks ago, when the UN forces in eastern Slavonia, in Croatia, suddenly arrested Slavko Dokmanovic in connection with Serb atrocities in the city of Vukovar at the end of 1991.

Now Nato-led S-For troops have shown that they share the UN's stiffened resolve to go in and apprehend suspects, even in the Bosnian Serb heartland of Omarska and Keraterm.

North Korea ready for war, warns top defector

Richard Lloyd Parry
Tokyo

Hwang Jang Yop, the most senior official ever to defect from North Korea, yesterday repeated his warnings of impending war on the Korean peninsula, but offered no new revelations about Pyongyang's mysterious leadership.

Mr Hwang was speaking at a long-awaited news conference in Seoul, his first public appearance since April, when he arrived in the South, two months after defecting through the South Korean embassy in Peking. Since then, he has been undergoing an extensive "debriefing" by South Korea's spy organisation, the Agency for National Security Planning (NSP).

As a senior member of the North Korean Worker's Party, a former tutor to the country's leader, Kim Jong Il, and its leading political philosopher, he was expected to provide unprecedented new insights into the workings of one of the



Hwang: North's leaders are bent on invading South

world's most secretive and unpredictable regimes. But three months of questioning have produced a remarkable result: on almost every aspect of North Korea, Mr Hwang and his new government are in perfect agreement.

The message sent by Mr Hwang is the one which successive South Korean governments have been repeating to their people and allies for decades: for all the food shortages and economic crises which have beset the country recently, North Korea's leaders are psychopaths, bent on invading the South Korean paradise at the first opportunity. Mr Hwang's veiled denunciations of the country he served for 60 years were matched only by his praise for his new home.

"I have come to the Republic of Korea (ROK) to warn about the danger of an armed invasion of the South and to contribute to the peaceful unification of our country," Mr Hwang said in a prepared state-

ment. "The North's preparedness for war goes beyond imagination. North Korea is permeated by an atmosphere of war ... I am firmly convinced that it is necessary for all Koreans to be firmly united and thoroughly prepared if we are to prevent the impending war and safeguard freedom and peace."

In a separate written statement, issued on his behalf by the NSP, Mr Hwang described the invasion strategy devised by Kim Jong Il, the son of North Korea's founding "Great Leader", Kim Il Sung. This would begin with a faked attack by North Korean troops wearing South Korean uniforms, thus providing the pretext for an artillery bombardment of Seoul. Any American intervention on behalf of the South would be punished with a missile strike on Japan which would "turn the area into a sea of fire".

Strategic facilities in the South would be seized by 100,000 commandos, followed by a full-scale motorised invasion, which would seize control of Seoul within a week, and the entire country within six months.

If such a plan does exist it will bring little anxiety to American officials who say that an attack by North Korea's poorly equipped and under-fuelled forces, while highly destructive, would be repulsed in a matter of days. According to Mr Hwang, Kim Jong Il wanted to attack the South in 1992, but was talked out of it by his late father.

This week, the United Nations launched another appeal for \$45.7m worth of food aid to alleviate food shortages in North Korea. Meanwhile in Pyongyang, Kim Jong Il made a rare public appearance at ceremonies marking the third anniversary of his father's death. Mr Hwang confirmed that the country is suffering from wide-spread food shortages, and that Kim Jong Il is in firm personal control. But on several crucial questions, he was disappointingly vague.

In April, Mr Hwang was quoted as having told the NSP that Pyongyang was capable of "scorching" Seoul with nuclear missiles. But yesterday he admitted that, as a party intellectual rather than a military commander, he had never seen such a weapon. "It's common sense that there are nuclear weapons," he said. "I just can't prove it."

He also poured cold water on rumours of the so-called "Hwang list", said to contain the names of hundreds of senior South Koreans working as spies for the communist side, but insisted that "there are operations sections engaged in infiltration and intelligence".

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14 international

Exodus swells as Cambodia is condemned

Matthew Chance
Phnom Penh

Hundreds of expatriates converged on Phnom Penh airport yesterday as more nations decided to evacuate their citizens from Cambodia after last weekend's coup.

The airfield, scene of a dramatic airlift of foreign nationals fleeing the Khmer Rouge in 1975, was the focus of intense fighting just under a week ago between rival government factions littering the runway tarmac with debris.

Asbestos shards and rubble crunched under the feet of a long line of British, Canadian and American evacuees as they

dragged their suitcases, and what belongings they could salvage, past the gutted terminal buildings towards three Malaysian Air Force cargo aircraft.

Empty boxes and broken bottles from duty-free cognac and French perfume, looted by the forces of each side, clung to nearby bushes and added a pungent piquancy to the scene, their odours mingling with the fading smell of gunsmoke.

The exodus, which has gained momentum over the past few days, has been given further impetus by a hardening of international condemnation of the coup which ousted the country's First Prime Minister, Prince Norodom Ranariddh, and which

established his former coalition partner, Hun Sen, formerly Second Prime Minister, as the unchallenged power in Cambodia.

At an emergency meeting in Malaysia yesterday, member states of the region's economic bloc, the Association of South East Asian Nations (Asean) postponed Cambodia's membership, scheduled for later this month. This is a serious diplomatic rebuke for Hun Sen, but he has remained defiant, warning the international community and Asean to keep out of Cambodia's internal affairs.

In Washington, the State Department has called on Hun Sen to reverse his bid for power and to acknowledge Prince

Ranariddh, who is canvassing US support in New York, as the senior Cambodian leader. Hun Sen has rejected the call.

United States marines are expected to fly in later today to su-

pervise a full-scale withdrawal of American nationals, although this is also a diplomatic reprimand at this stage than an expression of true fears for the Americans' safety.

More than 450 Britons are being advised by the Foreign Office to take the first available flights out of the country. Most will fly from Phnom Penh, leaving behind them a city scarred

by the fighting. On the outskirts of the city, factories which were last week producing rubber components for export now lie burnt out, or shattered by heavy mortars and shoulder-launched B-40 rockets.

Prince Ranariddh's family home, said to contain priceless antiquities from the ancient Angkor Wat temple complex, has been all but destroyed. The city offices of his Funcinpec political group were torn apart by the troops of Hun Sen's former communist Cambodian Peoples' Party. The fragments lie strewn across bloodstained roads outside the building, a reminder of the more than 50 people killed in the coup.

Hun Sen's soldiers, who just four nights earlier were looting shops and offices across the city, now roar through the pot-holed streets on powerful motorcycles, toting heavy machine guns and rocket launchers. During the fighting, fridges, cookers and other electrical goods were carried out through smashed shop windows. Car showrooms were emptied, gleaming red Toyotas or Mitsubishi can be seen crawling incongruously through the cycle-rickshaws and decrepit scooters that make up most of Phnom Penh's traffic.

But fires are no longer burning on the streets of the capital and the thousands of residents who fled the violence last week have mostly returned.

The looted goods are appearing in markets at prices within the reach of many more than could previously have afforded luxury items such as televisions and toasters. One

man said he could now buy a new motorbike for just \$100.

"We cannot stop and think about our situation for too long," says Kim Sot, a grocery stall-holder, "we have to put down our heads and work on to live, no matter what is going on around us."

The feeling, shared by most people in this beleaguered country, devastated by nearly 25 years of incessant war, is that events are beyond their control.

Cambodians could not prevent America from dropping its bombs in the early Seventies, leaving as many as 400,000 dead. Nor did they largely support the brutal Khmer Rouge regime, led by the dictator Pol Pot, during which an estimated 2 million of their countrymen were killed.

The election of 1993, sponsored by the United Nations, gave Cambodians their first real say in the running of their own country. Now even that result – always resented by the loser, Hun Sen – has been overruled.

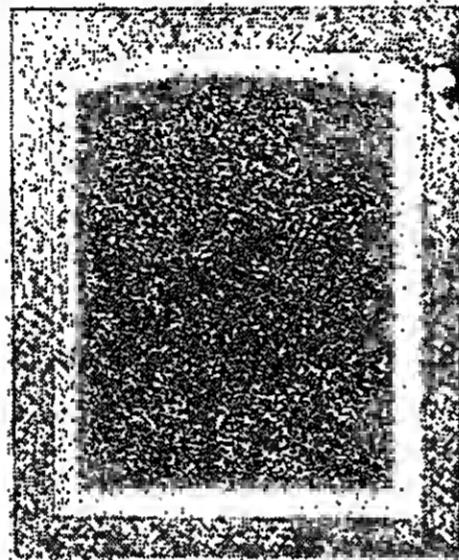
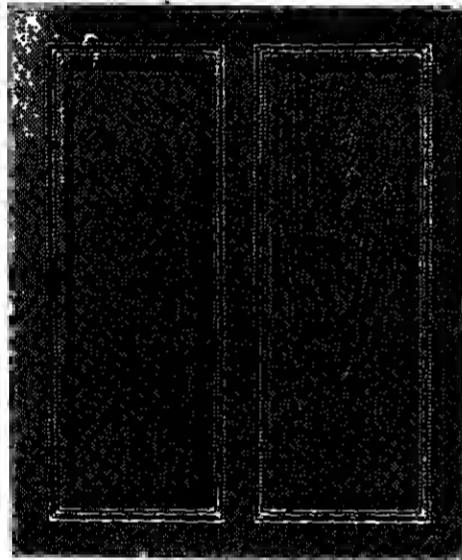


New leader: Hun Sen at a press conference yesterday

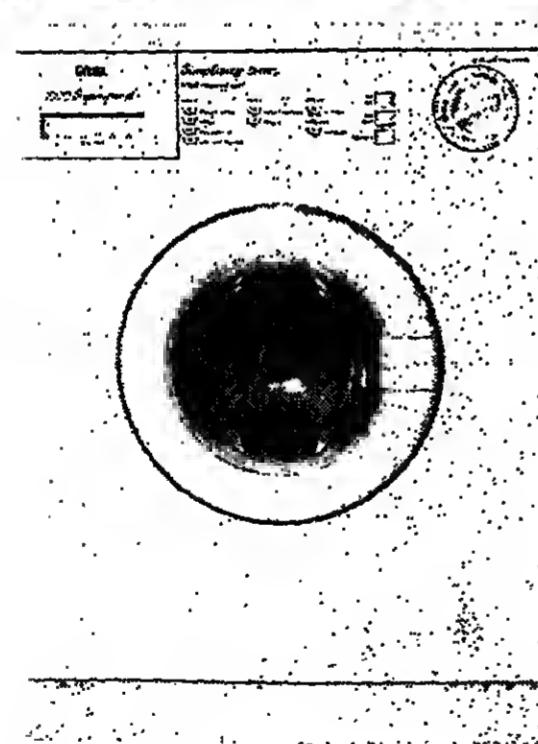


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significant shorts

Swiss heroin handouts said to cut crime

A Swiss experiment with state-distributed heroin – a world first – has slashed crime, misery and death associated with the hard-core drug scene, authorities said. Presenting the findings of a pilot three-year study involving 1,100 addicts, health and police experts said the programme was a success, saved the taxpayer money, and should be continued. But the experts said state-provided heroin would not solve the evils of drug abuse and was no substitute for other therapies and withdrawal programmes. The Netherlands is planning its own programme with heroin distribution; Germany, Spain and Australia are also interested in the Swiss experience.

AP - Berne

Venezuela death toll put at 59

The death-toll in Venezuela's worst earthquake in decades rose to 59. About 320 others were injured in Wednesday's quake, which registered 6.9 on the Richter scale. About 250 people have been rescued, most with minor injuries. Worse hit was the village of Caratoco, where two schools collapsed, killing 50 pupils.

AP - Cumana

£7m more for quake victims

Britain will give Montserrat a further £6.95m to help people hurt or made homeless by volcanic activity on the Caribbean island. "We are taking emergency action to deal with the crisis in all its aspects," the International Development Secretary, Clare Short, said. Twenty-two people are dead or missing following the most serious eruption so far, last month.

Reuters - London

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Friday 11th July

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BA4000-4199	BA6700-6749	BA7600-7949	BA8300-8450	

- Approximately 50% of intercontinental services to and from London Heathrow.
- Approximately 40% of intercontinental services to and from London Gatwick.
- Approximately 30% of European and domestic services to and from London Heathrow.

In addition, we will endeavour to operate as many further services as possible.

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We would like to offer our sincerest apologies to any customers who are being inconvenienced by the current action. Rest assured that we are doing all that we can to keep disruption to a minimum and most importantly to bring this dispute to a satisfactory conclusion as soon as possible. If your flight is affected, we will endeavour to organise alternative travel arrangements for you to reach your destination.

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international

Logic of Emu has Paris and Bonn at a loss

John Lichfield
Paris
Imre Karacs
Bonn

Germany and France both confronted the tough budgetary logic of monetary union yesterday, but insisted that the goal of a single currency was still attainable. Guessing the likely size of the French budget deficit, if left to its own devices this year, has become a game of sticking the tail on the donkey.

Estimates from the semi-official to the private, range from 3.4 per cent to 4 per cent, well over the 3 per cent of GDP guideline in the Maastricht treaty. Economists are almost unanimous in their assessment that Germany's budget deficit will be over 3 per cent this year, probably in 1998 as well.

In France it was revealed that the former prime minister, Alain Juppé, warned his successor last month that the country's budget deficit could shatter the Emu guideline this year, possibly rising as high as 4 per cent of GDP.

The warning was contained in a confidential letter handed to the new prime minister, Lionel Jospin, when he took over on 2 June. The contents were leaked to the French press this week as part of an almost daily campaign by the Jospin government to prepare other EU governments, the markets, left-wing MPs and public opinion for the tough budgetary choices which lie ahead.

The French Finance Minister, Dominique Strauss-Kahn, has let it be known that France will not hit the 3-per-cent target in 1997 but expects to come close in 1998. He has suggested that action will be taken to bring this year's deficit down to a figure acceptable to other EU countries (possibly 3.4 or 3.5 per cent) but confusion remains on how he will achieve this.

This week he suggested that spending cuts may be necessary, something he previously seemed to rule out. At the

Brussels set for a bigger EU

After talks in Brussels, the European Commission looks set to call for Estonia and Slovenia to join Poland, Hungary, the Czech Republic and Cyprus in the next round of EU expansion, writes Sarah Helm.

The proposal is expected to be presented next week when the Commission sets out plans for preparing for enlargement and clearing the way for the first accession talks.

Talks with new members look certain to begin under the British presidency of the Union, starting in January.

Ten countries have applied for membership; to ease the disappointment of states not invited to join in the first wave, the enlargement conference will be maintained as a rolling negotiation, with shadow negotiations established for likely latecomers, say British officials.

same time, he unfroze a £1.1bn contingency fund to allow promised new social spending to go ahead. Various ways of raising new revenue have also been floated and then repudiated or not quite repudiated, including a windfall tax on very profitable businesses and an increased wealth tax.

Bon is also struggling to hit the target; yesterday it finalised its emergency budget aimed at qualifying for Emu. While the government was forced to acknowledge that it would have to borrow an additional DM18bn (£6bn) to keep the state machinery ticking over till the end of the year, officials still insisted that the Maastricht targets remained in sight.

"We are certain that we will be able strictly to fulfil the

Maastricht criteria," said Hermann Otto Solms, leader of the Free Democrats' parliamentary group. His party, the smallest in Chancellor Helmut Kohl's coalition, last night gave the nod of approval to the Finance Minister's supplementary budget, which is due to be adopted by the full Cabinet today.

Theo Waigel, the minister with the unenviable task, had been racking his brain since January to find ways of conjuring up the magic figure prescribed by Maastricht. He still has some tricks up his sleeve: privatisation of state-owned utilities netting DM12.7bn this year, and temporary freezes in public expenditure. Although the Maastricht Treaty forbids such one-off measures, the Finance Minister is likely to argue that those rules, dictated originally by his own government, are mere technicalities.

As the day of reckoning approaches, other excuses are already being invented. The federal government intends to pin the blame for some of the overspending on the Länder, and on unavoidable overshoots in welfare spending.

Today the Cabinet is also due to approve the budget for 1998, promising as it did last year, a steady fall in outgoings and a reduction of government debt.

Next year Mr Waigel plans to sell the rest of the family silver, bringing him another DM20bn.

Despite stagnating revenue, the promised tax cuts will be introduced.

The killings, discovered on Monday morning, were at once typical and highly unusual. They were typical because Washington, capital of the world's richest nation, has one of the highest rates of violent crime in the US and has proved less amenable to "get-tough" policing methods than almost anywhere else in America.

Within the District of Columbia limits there is a perpetual frisson of violence, whether in the downtown area or on the periphery. Speeding, sirenscreaming police-vans, private



Hidden dangers: The "luxury" Georgetown area of the capital has been shaken by a triple murder

Photograph: Rex Features

Murders mar a picture of wealth

Mary Dejevsky
Washington

It was the legendary picture of America – the horror version.

Three young people – an Irish-American, a black and a Jew, murdered, shot in the head, behind the trendy coffee-shop where they worked. They had just locked up after their early-evening shift.

The killings, discovered on

Monday morning, were at once typical and highly unusual. They were typical because Washington, capital of the world's richest nation, has one of the highest rates of violent crime in the US and has proved less amenable to "get-tough" policing methods than almost anywhere else in America.

Within the District of Columbia limits there is a perpetual frisson of violence, whether in the downtown area or on the periphery. Speeding, sirenscreaming police-vans, private

cars brought to a screeching halt, their occupants bundled out and sprayed at gunpoint over the rear of the car – hands up, legs apart – are part of the everyday texture of life in downtown Washington.

This city has invisible lines that no one in his, and especially her, right mind crosses. Those lines move a couple of blocks further east in daylight, but they are not obliterated by the sun.

Which is why the triple murder at Starbucks coffee-shop was so shocking. It took place in what the newspaper reports described (not entirely correctly) as the city's "luxury" area of Georgetown – the area of north-west Washington that is regarded as the preserve of the intelligentsia, the politicians and the media. With its narrow, quiet and leafy streets lined with low-build pastel houses, it is thought of as the most European part of town.

It was home to the likes of John F Kennedy, and Pamela Harriman; the proprietor of

the Washington Post, Katharine Graham, and legions of Washington politicians live there. It is studded with small shops and restaurants (some permanent, some not) and is one of the few parts of the city where home, work and entertainment are all within walking distance.

No one would say Georgetown was "safe" in European terms.

But, as one resident commented after the Starbucks murders, "we had robberies, sure, but murders – no."

This is why people, and businesses, move to Georgetown. There is money, a clientele, and a degree of security not found in much of DC.

"This is what we moved from south-east Washington to get away from," said the owner of a small business close to the coffee shop.

There are piles of flowers outside the shop now. The lights are perpetually on, as police stand the premises for clues, while television vans are stationed in the adjacent car-park. Locally,

everyone knows what happened, takes a fleeting glance, and turns away.

The police have interviewed disgruntled former employees, and are silent about a theory that, because the door was locked, one of the dead might have been the perpetrator. They say they are following every lead. They, too, are treating the murders as an extraordinary event.

But there is no disguising the underlying fear. Georgetown was never crime-free; the crime reports published each week in the local paper itemise burglaries, robberies (some armed), assaults etc, street by street, and they include "if you are familiar with the street numbers". Georgetown. But a murder verging on execution is different.

The site too, a branch of the ubiquitous and fashionable Seattle-based cafe chain, which has almost alone rehabilitated itself in the United States, seems appallingly inappropriate for such a crime.

Starbucks, in Georgetown's yuppie haven in Elitesville.

Some local residents fear that this is just a harbinger things to come. Could the zero-tolerance police policy that is being applied elsewhere in Washington be pushing serious crime to the privileged fringe?

Are those who bought the illusion of safety now vulnerable? Residents of predominantly white, middle-class north-west Washington often feel they are "punished" for their affluence by the neglect of Mayor Marion Barry and his black-dominated town hall.

Roads are appalling, repair uncoordinated, council service haphazard. Will safety, too, be sacrificed? But Georgetown is not giving up without a struggle. Latest reports of the murders have mysteriously shifted the location to Burleith, the less chic area at Georgetown's western edge. This is stretching a point, but if it makes the residents feel better (and keeps house prices high), it may stick.

The truth is, though, that if the murders had really happened in Burleith, they might have sunk almost unnoticed into the morass of Washington's day-to-day crime.

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Parliament in pursuit of the wrong priorities

Put Baroness Tallyho on television, and most people are filled with an uncontrollable desire not just to ban hunting, but coursing with lurchers, beagling and the wearing of waxed jackets and green wellies. Not to mention a sudden conviction that the House of Lords should be abolished outright - hereditaries and takers alike. But then something strange happens. Listen to Linda Righteous put the case for banning hunting, and we are suddenly filled with an equal and opposite conviction: Leave Country Sports Alone. Let archaic toffs and their followers dress up and charge about the countryside. They may be horrid to foxes, but we do all kinds of horrible things to animals and no one promises a free vote on compulsory vegetarianism.

The argument about fox-hunting, then, is a case of the unappealing in debate with the illogical. Emotive agitation and disingenuousness rear up on both sides. But clear it all aside, and certain simple facts stand out. First, fox-hunting is a ghastly business - not so much because the killing of foxes is offensive, or even the tearing apart of them while still alive (even though both of these things are repulsive), but the fact that this is organised by people as a sport. The idea of taking pleasure in the kill, and of primitive practices such as "blooding", are nasty supplements to the business of controlling the

fox population. If hunters donned black puritan gear for the chase and staged a decent funeral for the sad but necessary death of the fox, perhaps there would never have been such a fuss. Instead they dress like the squirearchy and have a good time. Making a sport of killing animals is wrong, and that is why the vast majority of people in this country disapprove of it.

But it does not follow that hunting should be banned. Many other activities of which most right-thinking people disapprove are nevertheless permitted to happen. Public opinion and this newspaper regard boxing as an utterly abhorrent pastime, which pretends to embody crass and brutal behaviour. That does not mean it should be banned. Controlled more tightly, perhaps, but the threshold above which legislation is required should be set quite high.

In the case of hunting, there needs to be a compelling reason, over and above public distaste, for legislation. True, the law can be used, and should be used where practicable, to prevent needless cruelty to animals. But the arguments about animal cruelty in relation to hunting are less clear-cut than anti-hunting campaigners allow. They seem curiously oblivious to the drawbacks of the main alternative, which is shooting. (Poisons and traps being more cruel and dangerous than

hunting.) It would be better if all foxes were killed cleanly, but many opponents of hunting will also be most enthusiastic in support of Labour's determination to ban pistol shooting as a sport, and keenest to restrain the culture of guns.

The analogies drawn by both sides of the argument are faulty. Those who are against hunting always mention cock-fighting and badger-baiting, once good clean fun, now illegal. But the point about those "sports" is that they were organised solely for the amusement of the humans involved. Some foxes have to be killed because

they do not have natural predators, other than man. Equally, the argument about the amount of stress suffered by foxes or stags is specious. That argument swung the National Trust against hunting on its land, but you only have to watch BBC wildlife programmes from the comfort of your armchair to know that life in the wild is on picic.

On the other side, the claim by the hunt-followers that a ban on their sport will lead inevitably to a ban on fishing is absurd. If the pressure for a ban on hunting is sustained by public opinion, this country has some way to go before the majority adopts the full vegan

manifesto. Nor are we illogical in this: only the fundamentalist mentality would fail to recognise a sliding scale of degrees of cruelty. Morally, setting a pack of dogs on a fox is worse than hooking a fish.

We should not be afraid to make these relative judgements, because then it becomes clear how far down the scale and how deplorable cruelty to foxes lies. In this there is no absolute stance.

If there is a case for further legislation to stop needless cruelty to animals, then there is a case for requiring all pork, poultry and eggs to be free range.

But once the question of priorities is opened up, we arrive at the real issue here. Of all the important things on which Parliament could be spending its allegedly tightly-constrained time, banning fox-hunting is one of the least significant. Our preferences would be for a Freedom of Information Bill (an ideal opportunity for a hackbencher), but many others suggest themselves.

That is the tragedy of Mike Foster's choice of Bill: having come top of the ballot for valuable private member's time, he will entangle his government in an unnecessary diversion from vastly more important matters. On the eve of yesterday's pro-hunt rally, the Prime Minister was trapped in the Commons into restating his opposition to fox-hunting - one of his less convincing

personal convictions. As a result, he alienated unnecessarily a relatively harmless minority group and was forced to squander some of the precious fund of goodwill upon which his government will need to draw in future. And for what? The salvation of some widely popular wild dogs, and the gratification of a popular desire to see country toffs cut down to size. It's not really worth it, is it?

Make it a Day to Remember

Are you sick of "days"? No Smoking Day, Leave Your Car At Home Day, Be Nice To Little Old Ladies Day. Take Your Child to Work Day? Yesterday, it seems, was National Sick Day: thousands took the day off sick because they could not for some reason feel well enough to work for British Airways or to stand on a picket line. One suspects a few more discovered they had an important engagement in Hyde Park. Many more no doubt stayed at home to protest at the proliferation of days, of which there are demonstrably too many. Good thing there was no Test Match or Tim Henman game to watch; there would have been nobody left at work.



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LETTERS TO THE EDITOR

EU farm madness rages on

Sir: Your headline "Europe to end farm madness" (9 July) should not get readers too excited. The proposals are timely and more than welcome, but they are a long way from the radical reform that is needed. What's more, they still have to make it through the European Council of Agriculture Ministers, where farm madness begins (Jack Cunningham excluded, of course).

These proposals will not mean a saving in the agricultural budget and the EU will continue to pay vast sums of money to those who don't need it. There are no planned changes in the sugar regime which costs the EU around 2bn ecu a year. There are no plans to change milk quotas. We will still pour almost £1bn into tobacco when 90 per cent of the crop has no market value. The combined cost of the olive oil and tobacco regimes is higher than the entire EU research budget. Have we got our priorities right?

The European Commission has come up with proposals they believe will be politically acceptable, and Commissioner Fischer should be congratulated on this. But save the celebrations - farm madness is far from over.

TERRY WYNNE MEP
(Merseyside East and Wigan, Lab)

Brussels

Sir: You report that the Common Agricultural Policy is to be reformed because it is hugely expensive, but that under the new proposed system spending on agriculture will rise by £3.5bn

Every other business has to make a living without subsidy and hand-outs. Can anybody tell me why farming is so different?

The Rev DAVID E FLAVELL
Peterlee, Co Durham

Sir: Like you, we welcome reports from Brussels that the Commission is to propose a further reform of the Common Agricultural Policy including, among other things, a sharp cut in support prices for grain.

You do, however, risk misleading your readers by suggesting that there is a direct link between these support prices and market prices. Indeed it is several years since significant quantities of wheat were sold into UK intervention and a more recent phenomenon has been the imposition of export taxes to prevent European cereals prices rising to world levels.

All of which is not to deny the desirability of a market-oriented policy for agriculture which is responsive to genuine consumer demand. As we all know, however, markets can move up as well as down and, depending on the level of world stocks, invariably will.

JOHN MURRAY
Director-General
National Association of British and Irish Millers
London SW1

Rural workers back hunt ban

Sir: Charlie Pye-Smith ("Hunt ban will hit rural workers", 9 July) suggested that there would be huge job losses if hunting with hounds were banned. As the only legitimate trade union representing rural workers, we are convinced that there are very few jobs totally dependent on hunting with hounds and where there are problems, we believe these can be dealt with by diversifying into other activities



such as drag-hunting.

The article proposes that 3,910 people are directly employed in hunting and suggests that another 10,000 would be indirectly affected. Meantime the full-page advertisement in the same issue of *The Independent*, funded by the "Counties Alliance Fighting Fund", states that 60,000 jobs are threatened. This is an example of the way wildly varying figures are thrown around by the pro-hunt lobby. We have to accept that there are no reliable figures on the number of workers directly involved with hunting.

The T&G policy of opposition to hunting with hounds was determined democratically by the Rural and Agricultural Workers Trade Group at its national conference, with representatives from rural areas all over the UK. It is simply not the case that all or even most rural people support hunting.

BARRY LEATHWOOD
National Secretary, Rural, Agricultural and Allied Workers Transport & General Workers' Union London SW1

Sir: Jack Cunningham, the Minister of Agriculture, has been quoted as suggesting that the foot pack in his constituency should be exempt from the proposed ban on hunting, apparently on the grounds that they exist for the eradication of foxes rather than for the pleasures of the chase.

We are then to look forward to inspectors from his department descending on the hunts at intervals to ensure that none of their human participants are enjoying themselves?

WILLIAM HALE
Manchester

Fears that haunt the Orangemen

Sir: I have had enough of the continued demonisation of the Orange Order on your letters pages. I am not a member of the Order, but understand the feelings of those who are. It is not a symbol of Protestant domination, or the next of kin to the British Union of Fascists, with a "belief in its own superiority" (Letters, 10 July).

Perhaps those that condemn the Order should ask why people still feel they need to belong to a group established for their protection over 200 years ago.

Maybe it is because they have seen their neighbours brutally murdered and injured for over 30 years, in many cases simply for being Protestant. They have seen families in border areas intimidated from their homes.

These people then see the concerned residents of the Garvaghy Road deliberately select a convicted terrorist as their spokesman. That is not the act of a group with any real interest in settling the issue. Is it any wonder they feel themselves threatened?

The sooner people realise there are two sides to every story, the sooner the unionists of Northern Ireland can start to feel secure about their position. Then perhaps the vast majority of people in Northern Ireland who want peace will be able to get on with sorting out their own problems.

ALAN ARMSTRONG
Lismore, Co Fermanagh

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WILLIAM HALE
Manchester

Sir: Jack Cunningham writes (Letters, 9 July) that James Klugmann briefed him for his mission to Serbia in a fair and balanced way. The reason was that Mr Earle was going to Serbia and would have been able to see for himself the situation there.

Mr Earle was not the only one

who was impressed by Klugmann.

Even Royal Yugoslav officers who

were sent to Serbia during 1942 and

1943, having been briefed by officers

of the Special Operations Executive (SOE) in Cairo, found Klugmann charming and better informed on Yugoslavia than his colleagues.

However, the point is that from

mid-1943 SOE Cairo were

retransmitting to London reports

on the situation in Serbia received

from William Deakin and Fitzroy Maclean, who were with Tito in the

western part of Yugoslavia and

never set foot in Serbia. After the

war British liaison officers who

served with Milivojevic and his Serb

fighters, including Brigadier Armstrong, Major Jack and Captain Lees,

complained that their important

reports were either suppressed by

SOE Cairo (later Bar) or sent with

considerable delay to London.

ALEKSA GAVRILOVIC
Stafford

Fuelling dispute in space

Sir: I feel I should correct Dr High (Letters, 8 July) in an attempt to keep environmentalists' bad name for scientific literacy from getting any worse.

Most liquid-fuelled rockets use liquid hydrogen as the fuel. The liquid oxygen Dr High refers to is the oxidant without which the fuel will not burn. The exhaust gas of this reaction between oxygen and hydrogen is that well-known pollutant dihydrogen oxide.

Although dangerous in large quantities in its liquid form, as a vapour it is not a greenhouse gas and has no effect on the ozone layer.

In fact it seems to have a role in actually reducing atmospheric temperature. Space scientists agree that its absence from the Venusian atmosphere contributes greatly to Venus's high temperature.

Dihydrogen oxide is usually known by its common name: water.

NELSON CUNNINGTON
Cheltenham, Gloucestershire

Tito's mole

Sir: John Earle writes (Letters, 9 July) that James Klugmann briefed him for his mission to Serbia in a fair and balanced way. The reason was that Mr Earle was going to Serbia and would have been able to see for himself the situation there.

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essay

The colour Orange

On the eve of the Orange Order's main anniversary, David McKittrick charts its long, bloody history and its paradoxical status as supporter of, and threat to, the establishment

One of the many extraordinary things about the Orange Order is its capacity to maintain its self-image of respectability in the face of a torrent of criticism. It contains, for example, a great many clergymen and devout Protestants who genuinely regard it as the essence of law-abiding Christianity and good order.

The Order takes its name from William of Orange, whose defeat of the Catholic King James II at the Battle of the Boyne is celebrated every 12th July. One of its most hallowed texts sets out the ideal Orangeman: "He should cultivate truth and justice, brotherly kindness and charity, devotion and piety, concord and unity and obedience to the laws; his deportment should be gentle and compassionate." It has sometimes been difficult to discern such high-minded sentiments, for example when Orangemen triumphantly hold up five fingers as they pass past a spot where five Catholics were shot dead.

The last three marching seasons produced widespread disorder, a momentary breakdown of law and order and what a Presbyterian minister has described as "Northern Ireland's Chernobyl, with almost a meltdown in community relations". While other elements bear some responsibility, it is the Order's intransigent determination to march through hostile Catholic areas that has time and again occasioned serious disturbance. It was ever thus, for throughout its two-century history the Order has left behind a trail of troubles.

In 1864, after Belfast was racked with riots that over 18 days left 12 dead and 100 injured, an official inquiry reported: "Belfast is liable to periodic disturbances on occasions well known as the Orange anniversaries. If the celebration of these anniversaries be attended with such risk, we might well ask why any party should obstinately adhere to it."

"Can neither the discouragement of

the powerful and influential nor the adverse opinion of the wise and good induce those who indulge in such vain and mischievous displays to remember the claims of citizenship, or charity, or of civilisation?"

One of the factors in helping the Order sustain itself through the recurring bouts of criticism is the fact that those in authority have traditionally alternated between criticising it and co-opting it into the system.

There is an extraordinary historical pattern of the Order sometimes undermining the stability of the north of Ireland and sometimes acting as one of its most fundamental props. This was the case right from the Order's foundation in the last years of the 18th century, not far from Drumcree in County Armagh, then as now one of the hottest of places. It was forged in the crucible of sectarian conflict there from precursors such as the Peep O'Day boys.

Set up after a gang of Protestants had beaten a gang of Catholics in a clash fuelled by land hunger and sectarianism, the Order helped drive 7,000 Catholics out of the county in just two months. Catholics were threatened: "Now Teak this for Warnig. For if you Bee in this Contry Wednesday Night I will Blow your Soul to the Low hills of hell And Burn the House you are in."

Such methods, coupled with its rapid growth, initially alarmed the government, but with republican rebellion in the air the authorities swiftly moved to co-opt the Order as a counter-revolutionary force.

A magistrate spelt out the official calculation: "As for the Orangemen, we have a difficult card to play; they must not be entirely discredited – so the contrary, we must in a certain degree uphold them for, with all their licentiousness, on them we must rely for the preservation of our lives and properties should critical times occur."

So it proved. The landed gentry moved quickly to assume leadership of the Order, insuring discipline and deference into what had originally been denounced as "lawless bandit". In 1798 the brutality employed was legendary, British officer noting: "Hundreds and thousands of wretches were butchered while unarmed on their knees begging mercy, and it is difficult to say whether soldiers, yeomen or militia men took most delight in their bloody work."

The subsequent history of Orangism continues the pattern of paradoxical duality, alternately undermining authority and upholding it. At one stage its Grand Master was the Duke of Cumberland, but then it was banned in 1825 because of worries about the extent of its penetration of the army, which was found to contain many Orange lodges.

In the north of Ireland it remained in existence despite the ban, though for much of the 19th century it was deserted by the upper classes and had little prestige. Freed from its deferential posture, the century experienced what might be called the golden age of the Orange riot.

In 1813 Belfast experienced its first religious riot when an Orange procession marched into a Catholic street. Two

were killed and four injured, but this turned out to be a minor affray. 1829 brought major disorder in 11 different locations, with at least 16 deaths. Back in County Armagh the first service at Drumcree had taken place in 1807; the first arrests were in 1833, while the first Catholic death, in 1835, was followed in 1869 by the first Protestant fatality.

But it was Belfast which saw the worst of the violence with repeated riots during the marching season, most of them following Orange demonstrations. 12 major disturbances took place between 1813 and 1886. One report said: "The celebration of that [Orange July] festival is plainly and unmistakably the originating cause of these riots," adding that the occasion was used "to remind one party of the triumph of their ancestors over those of the other, and to inculcate the feelings of Protestant superiority over their Roman Catholic neighbours".

In the 1880s, contact with the upper classes was re-established when the threat of home rule appeared on the horizon. The Tory Lord Randolph Churchill famously said that if Gladstone "went for home rule, the Orange card would be the one to play. Please God it may turn out the ace of trumps and not the two."

This was the beginning of an alliance between Tories, the Unionist business classes and the Order. As in the late 18th century, Orangemen were co-opted as part of a wider game. Orange lodges provided the framework for a citizen's army, the Ulster Volunteer Force, whose threat of force played a large part in persuading London that the largely Protestant north should be exempted from home rule. The UVF drilled in the Orange halls; then tens of thousands, at

the urging of their new leaders, joined the British army to fight in the First World War. Thousands lost their lives. Many were cut down at Thiepval wood, on the anniversary of the Battle of the Boyne, one witness recounting: "As they scrambled over the parapet they shouted the old battle cries, 'No surrender' and 'Remember 1690'. Many wore Orange ribbons and one sergeant of the Inniskillings had on his Orange sash."

From the outset, the new state of Northern Ireland took on a distinctly Orange coloration. An Orange lodge was established within the new police force, the RUC, while Orangemen made up the bulk of a new militia, the B Specials. In some areas the B Specials were based in Orange halls.

Politically too Orangism became an integral part of the state. James Craig, Northern Ireland's first prime minister, declaring: "I have always said I am an Orangeman first and a politician afterwards." A majority of Unionist cabinet ministers and MPs between them and 1972 were members of the Order; most Unionist party meetings were held in Orange halls, while ministers used Orange platforms for important speeches. The power of the Order during those years has been described by two senior Methodists: "Membership was an indispensable condition of political advancement. It protected the employment of Protestants by its influence over employers, which is a polite way of saying that it contrived systematic discrimination against Catholics. Local authorities were dominated by members of the local lodges."

While nationalist marches were severely restricted, Orange processions became part of the fabric of Unionist rule, with the 12th of July effectively becoming what has been described as a ritual of state. More than once, though, the Unionist government banned marches on public order grounds, only to back down under Orange pressure. The most notable example came in 1935 when it banned all processions. Faced with angry Orange opposition it relented and exempted Orange marches from the ban. In the subsequent rioting 11 people were killed, hundreds injured, more than 500 families driven from their homes and more than 2,000 Catholics expelled from their workplaces.

In modern times, even as the authorities grapple with the marching problem, they continue to rely on the Order for manpower. No figures are available for the numbers of security force personnel who are Orangemen, but the Order has

made it known that around 15 per cent of RUC officers killed in the Troubles and around a quarter of Ulster Defence Regiment victims were members.

Today, as the shadow of the 12th of July looms once again, the Government would dearly love the Order to call off or re-route its more contentious marches. If it does not then the authorities can opt for bans or re-routing, yet they are all too painfully aware that these can lead to major trouble.

At worst, as at Drumcree last year, a show of Orange determination can succeed in forcing the authorities to give way and reverse their decision, thus undermining law and order once again.

This Government, like all the others down through the centuries, knows that taking on the Orange Order means confronting one of Northern Ireland's most powerful pressure groups, and touching the deepest and most sensitive nerve of the Protestants of Ulster.

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"I'd Like to Give Up Smoking, But I Haven't Taken it Up Yet..."
"My First Day at University"

Miles Kingston

Winner, Libby Purves. (She had worked for Radio Oxford in her hols.) Another competition, a light verse one, was won by Torin Douglas, now the BBC's media correspondent.

Now, all these things have something in common, which is that they represent subjects that middle-aged people are interested in – party politics, sex, lost college days. They are the very topics which the harassed features editor at the newspaper should be talking to his teenage children about, but isn't. So the harassed features editor takes articles like this as a sort of short cut to finding out what his own children are thinking, or even a substitute for talking to them. And once the young journalist has had half a dozen articles like this accepted, he or she is well on the way to being one of this year's bright new faces.

From my days at *Punch* I can remember one or two writers starting like this, and I am not talking about Alan Coren's family. I can remember the student competition we organised for the best piece on the subject: "What I did in the holidays".

I wonder what happened to him.

Let the City moan – the people's Budget is still a winner

Is the Budget unravelling? The Finance Bill sailed effortlessly through its second reading in the Commons yesterday. But that won't stop the complaining. The City is moaning that the Chancellor didn't do enough to put the brakes on the consumer boom. The pound remains unsustainably high and even in this monolithically "no message" government, it isn't hard to find the odd minister fretting aloud in private about the high level of interest rates, raised another quarter point yesterday, and almost certain to go up yet another quarter before long. There is a ferocious backlash from the pension funds, including some operated by local authorities, about the fact that shareholders will lose their tax relief on dividends. The Liberal Democrats, not unreasonably, point out that Gordon Brown's upwards revision of the inflation forecasts means that he is preparing for an even more savage limit on public spending than he had previously set out. Quite a few economic analysts have found it impossible to resist the temptation to utter that hoary old truism, that budgets which look good on the day usually turn sour a couple of weeks later. Did we all get it wrong? In a *Fabian Review* article out today, Peter Mandelson claims the public is still brimming with an optimism that he attributed to his party's ability to make hard choices in opposition. But could it be, given that the Budget is by quite a long way the most important measure the Government has taken since it came into office, that it heralds something larger, if almost unmentionable, than an end to the Blair honeymoon could be in sight?

The two ways in which the Budget has attracted most criticism in the City is its perceived failure to curb consumer spending by not putting taxes up enough, and the ending of the tax credit on dividends to tax-exempt institutions. The first has been dispatched pretty comprehensively by Gavyn Davies, Goldman Sachs chief economist, in this newspaper. He pointed out that the level of tax increases on consumers needed to replace a 1 per cent increase in base rates as a means of damping the consumer boom would be around £9bn – something which very few people regard as feasible without forfeiting the trust of the electors. Never mind honeymoon's ending, this would be dire.

There is a criticism that can be levelled at the Treasury which may help to account for some of the backlash: in the few days before the Budget, it allowed it to be thought that it would be just a little tougher than it turned out to be. There were no doubt reasons for that; first, it's quite common for governments – the last one made quite a habit of it – to raise expectations of tax increases so that everyone is pleasantly surprised when they aren't quite as big as feared. Second, given a context in which the Opposition had been arguing that there was no need for a Budget at all, it wished to prepare the ground by underlining Brown's belief in fiscal prudence. But the Treasury paid a price; someone's pleasant surprise is someone else's disappointment. And some in the City talked themselves into expecting more than Brown did.

Which was, in the end, quite a lot. For, as Davies also pointed out, the criticism rather misses the point that Brown did indeed produce a fiscally tightening Budget. Not many people before the election would have expected him to raise between £3bn and



Donald Macintyre
What this is
about is
making some
enemies in
the short
term. Good.
For it wasn't
possible to
cut the
deficit
without
inflicting
some pain

£4bn in each of two years (exclusive of the windfall tax) in his first Budget. Or that the hike would include additional consumer taxes, in the form of Miras cuts, increased stamp duty, petrol and tobacco taxes. Indeed the gamble Brown took was that some of Labour's supporters in Middle England may start grumbling when those rises, along with probable increases in contributions for those with personal pension plans, start to bite in the 1998-99 financial year. It seems, therefore, either churlish, or politically ultra-naïve, to complain that he didn't do more.

It's what Nigel Lawson, after his own bruising encounter with it, called the "awesome power of the pension-fund lobby" in defending pension tax privileges that is underlying the second row, that over the scrapping of the dividend tax credit. But the industry should take a little care. It is not exactly basking in public esteem after the fiasco of the late Eighties in which insurers and financial advisers wrongly advised about half a million people to take out private plans instead of staying with good occupational schemes. Especially when so pitifully little so far has been done to compensate the victims. A little more effective competition in the interest of the consumer is way overdue. It's true that while the funds in around half the top companies running their own occupational schemes have huge surpluses, now being bolstered by the increasing stock market values, the other half don't. But employers have historically played fast and loose with their pension

schemes, taking "holidays" from paying their own contributions when it suited them. Brown has done what the Tory administration began and what Stephen Dorrell, when he was the Conservative Treasury Financial Secretary, tried and failed to complete – for exactly the same reasons. He too wanted to discourage the short-termism by encouraging firms to reinvest as well as pay short-term dividends, but was stopped by pressure from the likes of Lord Hanson on John Major.

What this is really about is making some enemies, at least in the short term. Good. It's rather a relief to find the Government doing just that. For it was never possible to embark on an ambitious programme to reduce the deficit without inflicting some pain somewhere. Brown did indeed decide, windfall tax included, to inflict in his first Budget most of it in the corporate sector rather than primarily on individuals, by ending a tax anomaly much cherished by a vested interest that had bothered the Treasury for a long time. The result, as it happens, is that the Budget was – and remains – highly popular, according to all known measurements of public opinion. It may get a little less so when those taxes on consumers begin to bite. But those who argue for – say – immediate and total abolition of Miras, while defending the dividend tax credit, are merely saying that more of the revenue burden should fall on the middle-income homeowners and less on City institutions.

So Brown still looks as tough and populist as he did on 2 July. One further small but symbolic suggestion for how Blair and Brown could demonstrate both qualities still further: they should insist that another one-time opponent of the dividend tax credit measure, the former BP chairman Lord Simon, divests himself of the £2m in BP shares he was inexplicably allowed to keep when he came into office.



I don't want to be in Labour's chain gang

Work, work, work. Work is our duty, work is our salvation. Work is the answer to every question. Our welfare depends on work. Anyone who signs on for benefit "will be signing up for work", according to Gordon Brown.

No one should expect something for nothing. Not the young unemployed, not mothers with children, and certainly not children. Single mothers should get back to work. Children should work in their holidays to catch up. They should join homework clubs. They should start school earlier. Latch-key kids should not be at home watching *Neighbours* when they could be in educational crammer projects.

Everyone should work harder at their relationships. Being a good parent is hard work but someone has got to do it. We must work to rebuild our communities. We should work at work, work at home, work through our problems, work at the gym, work off our worries so that they don't affect our performance at work.

The work ethic central to the Blaire project is being happily swigged down left, right and centre. The new dissidents are the workshy, the fiddlers and scroungers, the idlers or just anyone like myself who believes that there is more to life than work. The work ethic is being re-vamped: whereas at the height of Thatcherism work was good because greed was good and everything was about individual achievement, work is now a moral obligation that one undertakes for the common good. To not work when work

is available is no longer viable.

"There will be no fifth option," as Gordon Brown said ominously in his Budget speech when discussing the four options to be offered to the young unemployed. The government's responsibility is to make work available, the individual's to take it no matter what it is. It is true of course that a job, however poorly paid, is often the first stepping stone for the long-term unemployed.

It is also true that over-achieving politicians and think-tanks often have no experience themselves of doing boring, menial, repetitive tasks. They would be hard-pressed to find any meaning or dignity in the kinds of employment they feel young people should be compelled to take.

I have done enough mind-blowingly dull jobs in the past to know that those who talk only of careers exhibit little understanding of the reality of many working environments. The new chain-gangs will not be rock breakers but surly bunches of loft insulators who happen to think that they are worth more than £20 a week.

The vast majority of single mothers will not become self-supporting through employment. Women who look after other women's children will often do so for way below minimum wage. As Ceridwen Roberts, director of the Family Policy Studies Centre, asks, "Do we want a society which in practice only values employment, yet at the same time expects more of parents?" The New Labour rhetoric is likely to do, or we could ask instead for a new deal which accepts the changing relationship between work and leisure.

Who now remembers the futurologists of the Seventies such as Alvin Toffler or André Gorz? They offered up a future where we would all work less, where work would be redistributed, where the distinction between production and

consumption would become blurred. We would recognise that much of our so-called leisure time is spent producing goods and services for our own use – what Toffler called "prosuming". The question then is not work versus leisure but paid work versus unpaid, self-directed and self-monitored work. Parenting of course is just such work. To incorrectly define all unpaid work as leisure fuels the notion that we should not subsidise single mothers because they do nothing.

That may now seem appropriate in such a world? Who will say that those who don't work and can't work may still have some value? Who will say that work is part of life but not its sole purpose? Who will defend the scrumbers and the layabouts and the lazy and the conscientious objectors to the system, the very bogeymen of this workaholic government?

The assumption that this feeds the common good is a strange one when those who clearly do work towards the common good – health workers and teachers, for example – are not particularly well-rewarded

for it either financially or in social status. Similarly those who cannot work, the very young, the old, the sick, those who are no longer productive, will increasingly be deemed to be a burden on those who can.

The paradox has been that as the nature of work has changed the language of the work-place has colonised every part of our private lives: the working out and through of problems, the grind of relationships, the toil of parenting, the managing of childcare which involves the learning of multi-skilling and the division of time into suitable chunks. What is the opposite of quality time? Quality leave for mothers and fathers.

Who will speak up for idleness in such a world? Who will say that those who don't work and can't work may still have some value? Who will say that work is part of life but not its sole purpose? Who will defend the scrumbers and the layabouts and the lazy and the conscientious objectors to the system, the very bogeymen of this workaholic government? Who will strike out against this new work ethic on the grounds that it is neither ethical nor workable? It's a dirty job. So give it to some 20-year-old slacker. They've already got enough to do.

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A secret weapon to swell the male ego



Jeremy Lawrence
Dubbed 'the
good love pill',
the new drug to
cure impotence
is not an
aphrodisiac.
It can boost
performance,
but only when
the spirit is
willing

A glass of water, a quick swallow, and sexual satisfaction guaranteed. Or so the pharmaceutical company Pfizer, maker of the first pill for male impotence, would like the world to think.

Yesterday, the company confirmed it is to submit the pill – which, when taken an hour before love-making, is said to promise "enhanced sexual response" – to the US Food and Drug Administration for approval. If it is granted, probably later this year, it is certain to focus attention on the delicate matter of male performance and its importance in the achievement of conjugal bliss. For let us be clear about one thing. Despite being misleadingly dubbed the "good love pill", the new drug is not an aphrodisiac. A fortune still awaits the inventor of the potion that can truly stimulate sexual desire.

Pfizer's pill, the chemical name of which is sildenafil, boosts the male erection – but only when the spirit is willing. The company plans to market it under the name Viagra – a neat combination of "vigorous" and "Niagara" conveying to North Americans at least, the sense of an unstoppable flow. It has taken four years of tests and £30m of investment to get this far and the indications look good. Nine out of

10 men who have tried it reported feeling 18 again, according to the company, although when one recalls the clumsiness, uncertainty and problems of premature ejaculation that bedevil that age group, it may strike women as a questionable accolade.

None the less a safe, effective treatment for impotence that was simple to use would bring much-needed relief to the one in 20 men said to suffer seriously from this distressing condition. It is the potential use by the rest of the male population – those, who suffer temporarily from the problem (most common when it is also most embarrassing at the start of a new relationship) – that raises more difficult questions.

It is the very unpleasantness of the existing treatments for impotence – injections, suction pumps and surgical prostheses – that deters all but the most seriously affected from using them. There is no doubt, however, that even these can transform a man's image of himself. In *Martyr Harris' novel Do It Again*, which contains one of the finest accounts of the triumph a hard-won erection can bring, the protagonist visits a Harley Street clinic for an injection before leaping into a taxi to get home to his lover before its effects wear

off. As the taxi speeds along the raised section of motorway known as the Westway, he gazes out of the window at the concrete tower blocks soaring beside the road to pierce the sky and grim with manly pride.

This experience is not restricted to those who require an injection to achieve potency. A Durable and Excellent erection – hence the name Durex – is a thing of pride; and whatever polite women may say, size matters.

A pill that delivered all this would have a serious, probably black, market.

Anyone who doubts that size matters should consider the difficulty condom manufacturers have had in selling their products in different measures. Even the addition of lines such as "snugger fit" or extra sensitivity" have not succeeded in shifting the smaller versions.

There is a story, although probably apocryphal, that during the war, when Russia appealed to Britain for extra supplies of condoms for its troops, Winston Churchill only agreed after ordering that the packets should be stamped "extra small".

Sildenafil, or Viagra, works by blocking the effect of an enzyme which causes erections to subside, thus prolonging increased blood flow to the genitals, but has no aphrodisiac effect. None the less, this

has fed fears that a market for the drug could develop among unscrupulous men who wanted to spike the drinks of girlfriends. Pfizer was saying little yesterday because of fears of breaching the industry code of that torrid promotion of drugs.

A pill that improves the mechanics of sex is viewed with suspicion. Although it had little effect on the cardiovascular system, male volunteers reported a pleasing side-effect. It was subsequently tested on 350 men in Bristol, Belfast, France and Sweden, who used it for four weeks. The results of that trial, presented to the American Urological Association last year, showed that 9 out of 10 reported better erections.

Some ludicrous claims have been made for the drug, such as that men using it have had little effect on the mechanical process. Relationship counsellors warn that men who have difficulty with sex are aiming for the wrong thing if they treat it as a mechanical failure.

Suzi Hayman, author of the *Good Sex Guide*, said a man with the drug who had no care or skill would have far less of an effect than a man with smaller genitals who knew how to use them. "Many men think their equipment has to be the sexual equivalent of a Porsche. Women know that a well-driven Ford Escort is infinitely preferable to a badly-driven Porsche," she said.

But, for readers of *Do It Again*, it is London's landmarks that could be changed for ever by the arrival of such a pill. Will Cleopatra's Needle, Nelson's Column and even Canary Wharf, the tower in which this newspaper is based, be viewed with the same innocence again?

obituaries / gazette

Alexander Cordell

Alexander Cordell was a popular writer whose novels were read by people who do not usually read novels.

He wrote 28 of them, mainly historical romances which came perilously close in the view of some critics, to bodice-rippers but which, for his many admirers, were exciting and well-researched yarns with a good deal of contemporary social significance. Opinion divides sharply over their literary merit, a consideration to which the author always declared himself deeply indifferent, preferring to point to their large sales in both Britain and the United States and the esteem in which he was held by that most genial section of the book-buying public, the common reader.

He was born George Alexander Gruber in Colombo, Ceylon (now Sri Lanka), in 1914, the son of a soldier. Much of his youth was spent in the Far East, particularly China, about which he was to write in *The Siamese of Love* (1965), which is set in Hong Kong. *The Bright Cantoneses* (1967), a spy story, and *The Dream and the Destiny* (1975), about the Long March of Mao Tse-tung. From 1932 he served in the British army and during the Second World War was promoted to the rank of major in the Royal Engineers.

Although he began to write shortly after demobilisation in 1946, his first novel, *A Thought of Honour*, was not published until 1954 and did not attract much public attention. He was, nevertheless, set on becoming a successful novelist and applied himself to the grind of writing with single-minded determination, keeping regular hours and letting nothing interfere with his schedule. Only rarely would he undertake journalistic work, though he was not adverse, as his reputation grew, to giving younger writers the benefit of his experience and views, usually expressed trenchantly and with little sympathy for established writers. He was particu-

larly scornful of poets, urging them to tackle "something more substantial" – such as a novel.

Cordell first settled in Wales in 1950, working as a quantity surveyor in the western valleys of Monmouthshire. It was there, mainly around the old iron towns of Blaenavon, Ebbw Vale and Tredegar, an area which was one of the cradles of the Industrial Revolution, and now known as Cordell country, that he discovered the grim landscape and Radical politics which he was to make the stuff of his highly coloured novels.

It seems that he was genuinely taken, too, with the democratically minded people whom he encountered while carrying out research for his books, and despite his very aloof English, military manner, many warmed to him and became his loyal readers. Popular interest in the local history of industrial South Wales was given a huge fillip by the fact that Cordell had brought the past to life in his novels in ways which ordinary people could understand and find useful, whatever professional historians might say about their authenticity.

His best-known novel, and an international best-seller, was *Rape of the Fair Country* (1959), the first of a trilogy about life in early industrial Wales which also included *The Hosts of Rebecca* (1960) and *Song of the Earth* (1969, published in the United States as *Robe of Honour*). These books present romanticised accounts of the struggle for trade-union rights in the ironworks of the Chartist movement which excited the author profoundly, and of the Rebecca Riots, a major social disturbance in west Wales which broke out in 1839 and took the form of attacks on toll-gates by armed gangs of men dressed as women.

The historical events depicted by Cordell are as vivid as the larger-than-life characters who act out their own personal dramas in his books. They include, for the most part, marginalised

people, victims of their time and place, who nevertheless manage to rise above their circumstances and make their mark on the society by which they are oppressed, albeit as part of the anonymous, and unsung, crowd.

What has embarrassed some readers is his insistence on introducing romantic interest into his plots, at which he was not adept, and dialogue which, for Welsh readers in particular, is sometimes excruciating in its inversions, phonier idiom and pseudo-poetic lit. As with Richard Llewellyn's *How Green was my Valley* (1939), Cordell's novels were controversial in Wales on account of the picture they gave of local society, morals and way of life, and few have been able to appreciate them for the fiction which they so obviously are.

Cordell was dismissive of any criticism on this score, nurturing an implausible suspicion that there was a conspiracy against him among literary critics in Wales, which extended to the Arts Council and the Welsh Academy (the national society of writers). He made few friends in the republic of letters, largely as a consequence of his opinionated antipathy towards fellow writers and his penchant for self-publicity in the press which endeared him to few.

When in 1971 the Welsh Arts Council invited the playwright Eugène Ionesco to visit Wales and receive its International Writer's Prize, Cordell dashed off a letter to the *Western Mail* complaining that it was scandalous to give money to a rich organisation like Unesco when it would have been better spent on writers. His attempts to persuade the council to establish a prize for novelists, to be named after him, was thereafter given a frosty reception for which he never forgave it.

Nevertheless, such was the success of his "Welsh" novels that Cordell was encouraged to write a second trilogy dealing with much the same subject

matter. In *The Fire People* (1972), about the Merthyr Rising of 1831, he told the story of Richard Lewis, a young miner known in history by his sobriquet Dic Penderyn, "the first martyr of the Welsh working class", who was hanged in Cardiff for the alleged wounding of one of the soldiers sent to Merthyr to put down the armed insurrection by the town's workers.

This second trilogy was completed with the publication of *This Sweet and Bitter Earth* (1977), which deals with the Penrhyn Quarry Lock-outs of 1896-1903 and the Tonypandy Riots of 1910, and *Land of My Fathers* (1983), which revisits



Painstaking detail and swashbuckling narrative: Cordell wrote novels whose historical events are as vivid as his larger-than-life characters

Photograph: Vic Cleary

South Wales during the Chartist period.

Those who tended to scorn the historical authenticity of Cordell's novels had to pause for reflection with the appearance of *The Fire People*. Dic Penderyn had gone to the scaffold protesting his innocence and there was widespread sympathy for the view that he had been made a scapegoat by the ironmasters. In his novel Cordell revealed details, found in official documents and subsequently confirmed, that, some 40 years after the rising, a man living in America had confessed to the crime for which Dic had been executed. For this, and for his firm grasp of the political real-

ities of the day, the author earned the warm regard of Gwyn A. Williams, the leading historian of South Wales in its revolutionary heyday. Another historian of the same period, Dai Smith, has compared him with Howard Fast, author of the novel *Spartacus* (1951), in

which he was not active on behalf of any political party. Cordell's long residence in Wales (interrupted only by residence in the Isle of Man during the 1970s) gave him a certain sympathy for the idea of Welsh self-government, and shortly before the general election of May 1997 he announced from his home in Wrexham that he had joined Plaid Cymru, having recognised in Dafydd Wigley MP, the party's

President (at last, the cynicsighed), the kind of democratic socialism in which he had always believed.

The cause of Alexander Cordell's death has not yet been established. His body was

found on 9 July in a stream near a disused quarry and is believed to have lain there for a few days; he was clutching family photographs. The police say that foul play is not suspected.

Mele Stephens

George Alexander Gruber (Alexander Cordell), novelist; born Colombo, Ceylon 9 September 1914; twice married (one daughter); died near Llantollen, Denbighshire 9 July 1997.

Hamish Nicol

As one of the leading British mountaineers of his generation, Hamish Nicol narrowly missed a place on the 1953 Everest expedition. Throughout his career as a successful doctor, mountains remained his great recreation. He died after a fall whilst rock climbing at Land's End.

Nicol was born in Hong Kong in 1929. During the Second World War, while his father was interned by the Japanese, he was evacuated to Canada with his mother. After the war the family lived in Edinburgh, where he attended Fettes College and Edinburgh University, reading French and Economics. He left Edinburgh in 1947 to do his National Service in the Royal Artillery, then went up to Balliol College, Oxford, to read Medicine.

By now he had already spent one season climbing in the Alps, and a contemporary in the Oxford University Mountaineering Club, Michael Westmacott, recalls that "when Hamish arrived, he certainly made waves. He was extremely energetic and enthusiastic."

For his second Alpine season, in 1950, Nicol teamed up with another Balliol mountaineer, Tom Bourdillon, to make the first British ascent of the north face of the Dru, above Chamonix. In those days the route had a formidable reputation and this was the first time for many years that British climbers had tackled anything so close to the cutting edge of alpinism.

Equally ambitious in his native Scottish hills, Nicol the

following winter attempted the then unclimbed, notorious ice tunnel of Zeng Gully, on Ben Nevis. At that time ice climbing was still an extremely precarious business and he fell off, sustaining serious injuries. That accident, together with another unlucky slip in 1952, may have been the reason he was not selected for Everest in 1953. He was, however, asked to be a reserve member of the team. While his friend Bourdillon reached the south summit of Everest, Nicol returned to Oxford celebrating the Coronation with a night ascent of that masterpiece of English baroque, the Radcliffe Camera, leaving a white bow tie on the summit.

In 1955 both men returned to the Alps, climbing some of the hardest routes in the Mont Blanc massif and crowning a brilliant season with an early repeat of the east face of the Grand Capucin. This spectacular, impending wall of red granite, first climbed in 1951 by

They were buried simply in Vip cemetery after a short service of which I could see and hear nothing because my eyes were shut tight. It seemed to be the only thing to do, the only way I could attempt to blot out the awfulness of that dreadful day.

Even now, nearly 40 years later, I am unable to speak about it or confront it without emotion ... I did not climb again for five years and came back to it slowly, at a much lower standard, in 1967.

He turned to medicine, gaining wide clinical experience as casualty officer, house surgeon and anaesthetist at St Thomas's Hospital, London, then in obstetrics and gynaecology at Old Stock Hospital, Salisbury. In 1958 he married another doctor, Mary Walker, and the two of them moved to Stratford-upon-Avon, to join the practice of Archibald McWhinney.

Nicol loved the life of a GP,

and brought to it his own adventurous energy, at one stage, for instance, taking a course in hypnotherapy to enhance his treatment of patients with psychological problems. He also took a keen interest in the ambulance service, initiating a training course in advanced life-support skills, which resulted in many saved lives in south Warwickshire.

The Nicols had a son and a daughter and family holidays were usually spent in the mountains, walking, skiing and canoeing. At a more ambitious level, Nicol, despite his claim to be a poor skier, took part in the 1972 British ski traverse of the Alps. He climbed several Himalayan peaks and continued throughout his life to enjoy rock climbing in Britain.

Like the other reserves, he remained very much a part of the 1953 Everest team, regularly attending reunions in Snowdonia, the Alps and Nepal, where he and his wife Mary devoted many hours to the medical needs of local people at impromptu camp surgeries. He was a vice-president of the Alpine Club (1986-87) and served as president of the Climbers Club from 1972, the year it decided to admit women members, until 1975.

Hamish Nicol was a popular man; his funeral was attended by over 600 colleagues, patients and mountaineers, who will miss his wit and his infectious enthusiasm.

Stephen Venables

Hamish Gordon Nicol, medical practitioner and mountaineer; born Hong Kong 6 June 1929; married 1953 Mary Walker (one son, one daughter); died 17 May 1997.

the Italian master Walter Bonatti, required advanced artificial technique using pitons – a technique which the Englishmen had first practised on a suitably overhanging tree in Bourdillon's Buckinghamshire garden.

They intended to climb together again the following summer, but Nicol arrived a day after his friend at the remote Schilthorn, in Switzerland, to find Bourdillon and another contemporary, Dick Viney, lying roped together, dead, at the foot of a climb. Writing in the *Alpine Journal* much later, Nicol recalled:

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They and their like provided a sure framework for the telling of a pantomime story that allowed for the inclusion, but not the intrusion, of specialty items such as the much-loved Wilson-Keppell and Betty and for the introduction and instruction of less experienced performers. After modesty prevented Salberg from claiming to be a maker of stars, nevertheless he did further the early careers of Norman Wisdom, Noelle Gordon, Morecambe and Wise, Frank Ifield and Jim Davidson by featuring them in his pantomimes.

In spite of his success as a "King of Pantomime" (how he hated that title), his greatest satisfaction derived from the plays presented by the resident Alexandra Theatre Repertory Company founded by his father in 1927 and inherited by him in 1957. He presided over the company's annual season for 37 years. Kenneth More, Brenda Bruce, Joan Miller and Alec McCowen are just a few of the names which can be found in the lists of his pantomime players.

He was a gracious host to the members of the many touring productions which from 1941 onwards visited his theatre. The first were dancers of the Ballet Rambert Company but, reflecting his theatrical tastes, most were actors appearing in straight plays. Opera was regularly seen under the aegis of the Welsh National, Sadler's Wells and D'Oyley Carte companies. There were, however, few musical comedies – Salberg confessed he was not a lover of them.

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The Salbergs, Derek and his father Leon (1875-1937) whom he succeeded, had a proud and unique record as theatre proprietors. They ran their Alexandra Theatre in Birmingham for 66 years from 1911 to 1977 and through their Christmas pantomimes introduced countless Brummies to the magic of the theatre.

The critic J. C. Irwin acknowledged that he had never known better pantomimes than those staged by Derek Salberg. He proclaimed them as annual miracles.

In his time Salberg faced intense competition from the major circuits of Ross Empires and Howard and Wyndham. Even so, he diligently sought out established artists well versed in the art of pantomime. His principal boys ranged from the thigh-slapping Dorothy Ward to the most charming of all Prince Charmings, Adele Dixon, Jack Tripp and George Lacy, whom he described as a genius, were his favourite dames. Among his principal comedians were Wee George Wood and the loquacious George Doonan.

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The first to arrive: Salberg portrayed by John M. Bell, 1977

same year received the gold medal of the Birmingham Civic Society for outstanding services to the city. He was a lifelong supporter of the Warwickshire County Cricket Club, and served on the club's General Committee for 26 years; he was appointed a Vice-President in 1984. Nationally he served on the Drama Panel of the Arts Council of Great Britain and on the boards of the Sadler's Wells Theatre Trust, the National Theatre and the Birmingham Repertory Theatre; he was also a consultant to the Old Vic Theatre Trust.

In retirement Derek Salberg wrote five entertaining books, four of them theatrical in their content. The fifth, *Much Ado About Cricket* (1987), has a foreword by Brian Johnston, who describes it as "a labour of love . . . the satisfaction of

putting on paper one's pent-up memories, simply a way of recording gratitude and appreciation to the greatest of all games".

Derek Salberg was devoted to his grandchildren and to his wife, Joan. Not only did she design the costumes for his pantomimes but she sustained him through times of financial crisis and supported him when he suffered a mild and fortunately short-lived nervous illness. She was an inspirational cook, a knowledgeable gardener and a proficient decorator, all skills he lacked.

In addition to his own family, there was his theatre family which comprised all the people who worked for him at the Alex. "D" greeted them individually every morning – he was always the first to arrive. His audiences, too, he welcomed in the foyer and there bade them farewell after each performance.

In 1994 one Brummie, then aged 84, recalling her childhood of abject poverty and her first job in a mop factory, said, "Do you know the best thing I ever saw? It was a pantomime at the Alex and the girls in the mop factory took me. I'd never seen tights before."

Peter Arnould

Derek Salberg, theatre director; born Birmingham 10 July 1912; Director, Alexandra Theatre, Birmingham 1936-77; OBE 1965; CBE 1978; married 1939 Joan Horrocks (died 1972; two daughters); died Birmingham 29 June 1997.

Doctor cannot claim racial discrimination against PPP

LAW REPORT

11 July 1997

Lord Justice Beldam said that the appellant was a registered medical practitioner. She was a British citizen but was Greek by birth. She had qualified as a doctor at Athens University and had held a number of hospital posts as a surgeon in the United Kingdom. In 1979 she had been admitted a Fellow of the Royal College of Surgeons. She

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Heads roll at Hambros over Co-op bid

Norton Rose report prompts resignations

Tom Stevenson
and Nigel Cope

The axe fell at Hambros yesterday, as senior corporate financiers took responsibility for the bank's role in the £1.2bn failed bid for the Co-operative Wholesale Society. Three of the bankers closest to the affair resigned after being criticised in a report by the Norton Rose firm of solicitors.

The report said there were failures in the implementation of Hambros' internal control procedures and that the conduct of the Hambros employees involved in the Co-op bid, "fell well short of the standards of good business practice".

Carrying the can for Hambros are Nigel Panting, head of corporate finance, and Peter Large and Andrew Salmon, both of whom were directly involved in the deal. Disciplinary action is also to be taken against other Hambros employees involved in advising Andrew Regan, the entrepreneur, and his Galileo takeover vehicle in its disclosed bid for the Co-op.

Mr Regan said yesterday: "Having stood alone for so many weeks taking all the flak, I am delighted that the true story surrounding the CWS bid is beginning to emerge. The events

of this week make it perfectly clear that the advice Galileo paid so many millions of pounds for, and followed every inch of the way, was inept."

The report, which the bank says will not be made public, concluded: "Those at Hambros who knew that confidential information from the CWS had or might become available without proper authority failed to appreciate that it was not appropriate for them either to receive or use that information".

The investigation also found failures of implementation of Hambros' internal control procedures although the procedures themselves were not believed to be seriously deficient. It recommended changes to tighten internal controls and the introduction of new measures.

These changes include client and transaction clearance procedures, and a strengthening of the compliance function and its relationship with the corporate finance division. Hambros said it would introduce the changes as quickly as possible and institute further reviews of its high level controls.

The Norton Rose report is the latest in a string of embarrassments the CWS bid has caused for Hambros. It has been forced to make an un-



(From left) Nigel Panting, one of those who resigned yesterday, and Sir Chips Keswick and Lord Hambro, whose actions will be studied by the regulators

served apology to the CWS, pay £750,000 in compensation, and has now lost three of its senior executives.

The bid collapsed after a sustained counter attack through the courts by CWS and the withdrawal of financial backing for the ambitious plan.

Hambros supported its client to the bitter end, despite repeated questioning from Graham Melmoth, CWS chief executive, about the use of con-

fidential Co-op documents. Mr Regan, his business associate, David Lyons, and former CWS retail controller, Allan Green, still face possible prosecution by the Crown Prosecution Service, which took over a private action launched by the CWS.

Hambros said yesterday it was unable to publish the report in full for legal reasons but had handed it on to the Bank of England and the Securities and Futures Authority. Rival

bankers said the continuing uncertainty caused by the non-publication would further damage the bank's reputation and depress already low morale.

One said: "This is probably the end of Hambros as a serious force in corporate finance. They have been struggling for some time." Hambros has been attempting to rebuild its corporate finance operation, which continues to generate poor returns.

Attention will now shift to whether the Bank of England and the SFA will take further action, either against the three bankers who have resigned or against more senior figures at Hambros. It is understood the regulators will look at the extent to which Sir Chips Keswick, chief executive, and Lord Hambro, chairman, were aware their client was mounting a bid with allegedly stolen information.

Even after Mr Green, the

CWS director, admitted in court that he had handed confidential information to Mr Regan, Lord Hambro stood by his bank's client. Hambros said that having taken legal advice and assessing the ramifications it had decided to support Mr Regan in developing his Co-op bid.

The three Hambros executives are just the latest in a string of casualties from the Co-op affair. Earlier this week Nigel Compton-Smith, a partner at Mr

Having stood alone for so many weeks taking all the flak, I am delighted that the true story surrounding the CWS bid is beginning to emerge. The events of this week make it perfectly clear that the advice Galileo paid so many millions of pounds for, and followed every inch of the way, was inept.

Andrew Regan

Regan's lawyers Travers Smith Braithwaite, resigned to save the firm further "embarrassment".

Mr Regan, yesterday closed his astonishing attack on his advisers by saying: "I always believed I could rely on my City advisers, but the unpublished Norton Rose report obviously shows that I was wrong to do so. I, and Galileo's other investors, still await an apology from those who took Galileo's money."

Comment, page 23

Pound drops as Bank raises base rate

Diane Coyle
Economics Editor

The Bank of England's decision to raise interest rates by a quarter-point yesterday sent the pound lower on the foreign exchange and led many City economists to warn that further increases in the cost of borrowing would be needed before long.

Ashley National was the first lender to increase its mortgage rate, announcing a quarter-point rise which will add more than £7 a month to the cost of a typical £50,000 home loan. It is likely to be followed by Cheltenham & Gloucester and TSB, both owned by Lloyds Bank, today.

Other big lenders said they would keep their position under review for the time being, but most are likely to follow suit.

Business reaction to the Bank's decision, which had been widely expected, was at best lukewarm. Industrialists warned that rising interest rates would keep the pound painfully strong and damage exports.

Adair Turner, director-general of the Confederation of British

Industry, "reluctantly accepted" the need for yesterday's action. But he said: "Further interest rate rises in the short term would be unwelcome."

The Engineering Employers Federation, which this week reported a sharp slowdown in export orders, "regretted" the move. Alan Armitage, head of economics, said: "If the pound rises further as a consequence, exports will suffer further."

Both the CBI and the British Chambers of Commerce said the Budget had not been tough enough, leaving it up to the

Bank of England to cool the overheating economy. Jan Peters of the BCC said: "We are witnessing the results of a Budget in which political expediency took precedence over the country's well-being."

However, the Chancellor and Bank of England were careful to back each other's moves. Gordon Brown said: "The Bank of England has agreed with me that we must prevent a return to the cycle of boom and bust."

Inflationary pressures had to be brought under control, he said. The statement from the

Bank's monetary policy committee said the combination of fast consumer spending growth and the further strengthening of the pound had "sharpened the dilemma" for monetary policy.

But new higher estimates for the level of output and the growth of sales made an interest rate increase necessary, "notwithstanding the further appreciation of the exchange rate and the contractionary effects of the recent Budget".

Some City economists thought the Bank should have opted for a bigger rate increase

yesterday. Disappointment at the quarter-point move was given as a reason for a drop in the pound yesterday.

It lost more than a pfenning against the German mark to end at just under DM2.97. Steven Bell, chief economist at Deutsche Morgan Grenfell, said:

"This reflects the number of people who had hoped for more and decided to take profits."

Many in the City were predicting another rate rise next month, although this will depend on a series of economic figures due in the next few weeks.

their lawyers and nothing at all for creditors of the estate".

The case was brought by the receivers who wanted to establish whether they were able to keep the cash received so far in payment for both the lawyers' fees and their own bills.

This followed bitter criticism of their fees by MPs on the Social Security Committee. In both 1992 and 1994, the MPs concluded in 1994 that the fee levels had "rendered significant damage to the image of the insolvency profession".

Mr Phillips responded to the Court judgment yesterday, saying: "The winding up of the Maxwell estate and the affairs surrounding the business empire of the late Robert Maxwell was one of the most complex undertaken this century to identify and track down assets. Despite considerable efforts in good faith to investigate the identity and whereabouts of assets, the funds eventually left to the estate proved to be minimal."

The Society of Practitioners of Insolvency (SPI), the professional body representing UK's receivers, has recognised the public sensitivity of the fees issue. Brendan Giffyle, the president of the SPI and a partner with accountants Geoffrey Martin and Co, said yesterday: "Whilst we cannot comment on the details of what is an unusual and untypical case, we warmly welcome many of the principles set out in the judgment."

Judge criticises receivers' bill for Maxwell estate

John Wilcock

The receivers of the late Robert Maxwell's personal estate were criticised by a High Court Judge yesterday for the "shameful" and "shocking" level of fees incurred in winding up the estate, which he said were likely to swallow up all the money recovered for creditors.

The ruling by Mr Justice Ferris, who also blocked clearance for a £500,000 tranche of professional fees, will have a widespread impact on the way receivers are paid. Since Mr Maxwell's death £1.4m has been recovered for the former Mirror Group Newspapers' chief's personal estate, and another £300,000 is expected.

But the bill from receivers Peter Phillips, David Buchler and Edward Wacey of Bawden Phillips had reached £744,289 by the end of April 1997, and solicitors Nabarro Nathanson, appointed by the court to assist the insolvency firm, had produced a bill for £705,283 by the end of March.

The judge said Mr Maxwell, who died in November 1991, left behind a "complex web of interests, claims, cross claims and other disputes". He said there was no doubt that Mr Maxwell's estate was "massively insolvent". But he said that "if the amounts claimed are allowed in full, this receivership will have produced substantial rewards for the receivers and

Treasury plans to soften FIDs blow

Sameena Ahmed

The Treasury said yesterday it was discussing with companies how to soften the blow from last week's controversial Budget to abolish foreign income dividends (FIDs) by 1999.

Alastair Darling, Chief Secretary to the Treasury, said: "There is no question of any turn. However he said Geoffrey Robinson, the paymaster-general, had already told parliament that ministers were looking at the implications of the proposals because they were anxious to encourage UK companies to stay and invest in Britain. FIDs were introduced in 1993 to prevent companies from paying tax twice on overseas earnings.

Observers said, though, that a climbdown looked inevitable: "No-one expects the Government to simply say it is not now abolishing FIDs. That would be

too embarrassing. But they have clearly not thought through the implications. They are losing revenue as companies are starting to pay FIDs before abolition."

A Treasury spokesman denied it had not thought through the proposal: "FIDs are a very complex matter. We've got two years to sort this out."

He ruled out an announcement today but said changes to the Budget measure were possible during the current drafting of the Finance Bill.

Industry bosses said the Government could broaden the definition of an international headquartered company (IHC) to include UK groups with substantial overseas earnings.

The Budget states that IHCs, defined as companies wholly owned by foreign parents, would be allowed to continue paying FIDs.

£50m Jarvis rail deal under fire

Chris Godsmark
Business Correspondent

which Jarvis does not already own. Relayfast is responsible for Western and Scotland TRCs. Jarvis transformed itself in one year from a loss-making construction group after buying Northern Infrastructure Maintenance Company, one of seven maintenance businesses (IMCs) hived off from the old British Rail.

At least one other construction company, which also bought into the privatised rail business, has urged the Office of Fair Trading to block the deal on competition grounds. One complaint, understood to be from Amey, the Oxfordshire construction company, argued the consolidation would restrict the leasing market for heavy plant and machinery.

The two acquisitions by Jarvis will give the company control over four of the six track renewals companies. Jarvis is paying £5m for Fastline, formed from a management buyout of Eastern TRC, which later bought Northern TRC.

A separate deal involves paying £m for the 50 per cent of another company, Relayfast,

Eurotunnel sees off liquidation threat as investors back rescue

Michael Harrison
Paris

Eurotunnel last night escaped the threat of liquidation after a stormy shareholders' meeting in Paris voted to back a controversial debt restructuring deal that will give its banks a controlling stake in the Channel Tunnel.

The marathon meeting, attended by more than 1,700 shareholders, gave the Eurotunnel board a rough and rancorous ride, at times drowning out the chairman, Patrick Ponsolle, with chants of "Ponsolle out".

But at the end of the seven-hour encounter at the Palais des Congrès on the outskirts of the French capital, the plan to reschedule Eurotunnel's £95m debt mountain through a debt-for-equity swap, and in the process give the banks a 60 per cent stake in the tunnel, was safely approved.

Eurotunnel needs 25 per cent of its shareholdings to be represented for the meeting to go ahead and then it required the support of 75 per cent of the votes cast to get the restructuring approved. In the event

the rebels had 100 shareholders owning 27.25 million shares, or 29.62 per cent of the company, were represented.

Mr Ponsolle arrived at the meeting with 78 million proxies in his back pocket, making victory for the board an odds-on bet. Shareholder action groups speaking for a further 3 per cent of the equity had also pledged to vote their proxies in his favour. But that did not stop shareholder from giving him a rough ride, their irritability made all the worse by the sweating heat and lack of refreshments - a stark contrast with the traditional British armchair.

Mr Ponsolle and the rest of the board faced repeated attacks on their integrity, motives, and trustworthiness for "selling out" to Eurotunnel's banks. One shareholder summed up the feeling of a vocal and vociferous minority by declaring: "Lower your Fr2 million [£200,000] salary, then we will follow you. Otherwise we can't trust you."

Eurotunnel's hopes of getting shareholder approval for the re-financing improved markedly last month after the British and French governments agreed to extend its concession to at least 99 years. The approval was conditional on the debt restructuring plan being passed by both Eurotunnel's shareholders and its banking

syndicate, which will vote on the deal in autumn.

In return for extending the concession from 2052 to 2066, the two governments will take a share in revenues generated over that period. Eurotunnel must also undertake to maximise the use of the tunnel by rail freight as part of a wider Eurotunnel initiative to get freight off the roads and onto trains.

The prospectus for the refinancing forecast that Eurotunnel could break into profit in 2005 and start paying a dividend in 2006. It also produced a forecast, projecting profits of £110m in 2005, up from £10m in 2004.

The approval of all 174 banks making up the loan syndicate is still needed for the restructuring to proceed. This is expected to take until autumn. But Eurotunnel's prospects of getting the backing of the syndicate have increased since it emerged in May that a handful of US banks, led by Lazard Frères, have acquired nearly a quarter of Eurotunnel's debt.

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The two acquisitions by Jarvis will give the company control over four of the six track renewals companies. Jarvis is paying £5m for Fastline, formed from a management buyout of Eastern TRC, which later bought Northern TRC.

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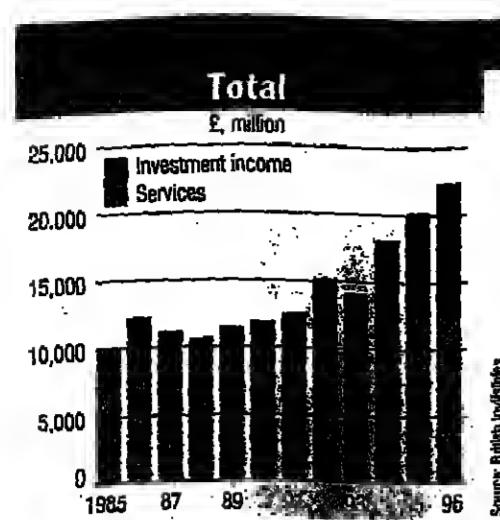
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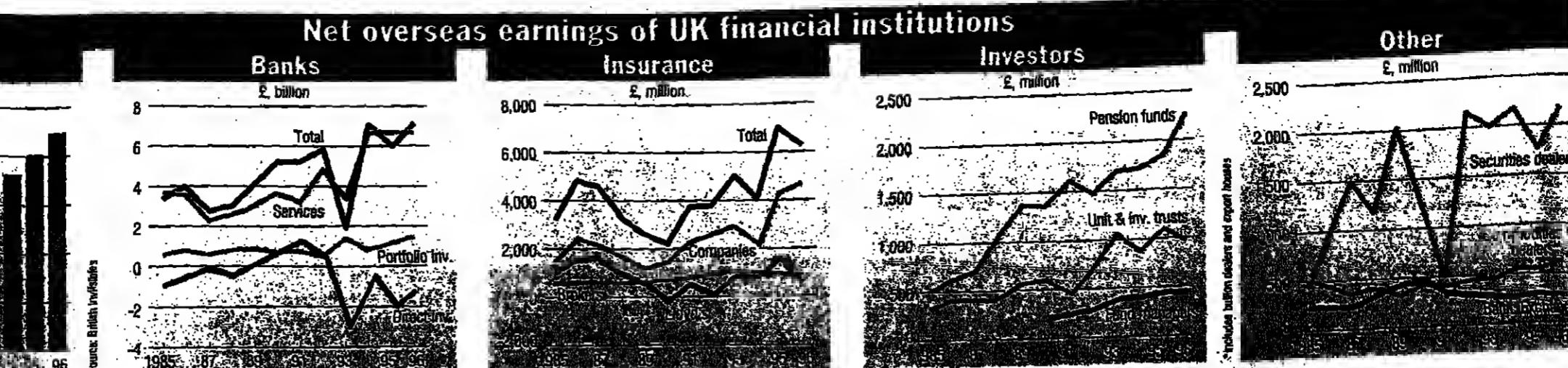
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Britain's financial services industry made record overseas earnings of almost £23bn last year. The industry's contribution to the balance of payments rose by £2bn in 1996 and has nearly doubled during the 1990s, writes Diane Coyle.

Banking and insurance were the biggest net earners. But pension funds' earnings have been growing most rapidly, according to the annual "City" earnings table published by British Invisibles.

The balance of payments



Financial services earn £23bn overseas

surplus generated by financial services helps offset deficits in other areas.

Recent official figures showed there was an overall deficit of £435m last year, with trade in goods in the red by £12.6bn.

In 1995, the latest year for which all the figures are available, financial services was the only

category, apart from oil, to record a significant balance of payments surplus, although some others, such as the music business and shipping, recorded smaller surpluses.

Duncan McKenzie, economic adviser for British Invisibles, said: "Further growth in its overseas earnings reflects the consolidation

and strengthening of London's leading position in many financial markets."

He said the strong pound would not necessarily dent the sector's overseas earnings this year.

Although exports of financial services were vulnerable to the high exchange rate, it would increase the other component of

the City's earnings, investment income, in sterling terms.

Both income from services and income from investments increased last year. Services earnings rose £162m to £12.3bn, and investment income by £1.5bn to £9.8bn.

Banks' total net earnings made up ground lost in 1995 partly as a result of the collapse of Barings.

They climbed from £5.9bn to £7.1bn in 1996.

The insurance sector's earnings fell slightly last year, from £6.9bn to £6.1bn. This partly reflected the fact that Lloyd's had a more successful year and therefore distributed significant profits to overseas members for the first time in five years.

Net overseas earnings of pension funds jumped by a fifth to £2.3bn, continuing their strong upward path. There were mixed results for other institutional investors, with gains for fund managers but declines for unit and investment trusts.

Securities dealers, whose performance is relatively volatile, had a good year in 1996, with a £432m rise to £2.2bn. The earnings of other traders, including commodity traders and bullion dealers, reached a record £642m.

IN BRIEF

• Shares in Skillsgroup plunged 35 per cent to 126.5p after the computer company, which recently changed its name from P&P, warned that difficult second-half trading in Europe would affect full-year results. Analysts said the shares had been harshly punished because although management would have been aware of the problem at its annual general meeting in April, it was not mentioned. Ross Jobber at housebroker CIBS has cut his full-year forecast 19 per cent to £14.3m. While the group's newer IT training and systems businesses traded well in the half year to May, the problem rested in the group's traditional and declining computer box staffing business. "The old dog barked today," said Mr Jobber.

• Scapa, the paper rollers to industrial tapes business, is to buy Sellotape Industrial Tapes, part of Sellotape International, for £41m cash. The move comes just weeks after David Dunn, chief executive, said he wanted Scapa to become a "worthy number two" to 3M in the fast-growing industrial tapes market. The group said the acquisition, which does not include domestic sticky tape, would build its market in supplying the printing, graphics and construction markets. Sellotape International reported sales of £70m in 1996 and pre-tax profit of £5.2m. Scapa's shares closed up 2.5p to 209p.

• British Telecom was in breach of its operating licence in the way it runs its OneNumber personal numbering service, the regulator Ofcom said. BT had also failed to provide the network services for other operators to run voicemail services. The regulator said if BT wanted to continue to run OneNumber, it had until 31 October to make available the network services for competitors.

• The Investors' Compensation Scheme will be contacting customers of seven former investment firms now in default, inviting them to lodge formal applications for compensation. The firms are Colne Financial Planning Services of Colchester, Essex; Copeland Financial Services of Aldenham, Berkshire; Durwen Group Limited of Chester, Cheshire; LMD International Investment Management Services of Barham, Kent; Rakesh Kumar Sharma trading as RK Shops & Business Sales of Central Milton Keynes, Buckinghamshire; Summit Insurance & Financial Consultants of Macclesfield, Cheshire; and P Webster & B Fisher trading as Roy Alexander & Company of Dawlish, Devon.

• Phonelink, the telephone information and marketing company, saw its share price tumble by 15.5p to 51p with investors disappointed with its results for the year to the end of March. Turnover was virtually unchanged on the previous year's £4.3m. Only a rise in net interest receivable enabled the company to reduce its loss from £5.7m to £6.2m. John Ramsey, the new chief executive who joined in January, has reduced the cash drain from £400,000 a month to £160,000, axing four directors and a third of the staff in the process. The shares were floated at 155p four years ago.

• BA's UK airports handled 9.6 million passengers in June, an increase of 8.3 per cent year-on-year. Heathrow recorded an increase of 5 per cent, Gatwick 13 per cent and Southampton 15 per cent, followed by Stansted and Glasgow, which were both up 12 per cent. The European charter market increased 11 per cent, reflecting the recovery in the Mediterranean package holiday, and North Atlantic services increased 10 per cent.

• Mirror Group's £297m agreed bid for Midland Independent Newspapers has been referred to the Monopolies and Mergers Commission, Nigel Griffiths, Competition and Consumer Affairs Minister said. The MMC will report its findings by 24 September.

Company Results

	Turnover £	Pre-tax £	EPS	Dividend
Argos Group (F)	8,250m (8,080m)	841m (824m)	5.18p (5.01p)	0.25p (0.27p)
Border TV (F)	13,500m (12,500m)	2,74m (2,30m)	16.8p (14.7p)	7p (5.8p)
Burkhardt Knives (F)	44.7m (48.1m)	3,67m (4.34m)	11.5p (13p)	6p (5.5p)
British Holdings (F)	54.5m (47.1m)	8,68m (8.51m)	9.48p (9.12p)	1.72p (1.58p)
Fletcher King (F)	4.8m (4.7m)	0.27m (0.26m)	2.4p (2.3p)	1.75p (1.50p)
Goode Durant (F)	1.88m (1.66m)	25.5m (21.3m)	31.8p (26.4p)	10p (6.5p)
Hallam Holdings (F)	- (-)	16.81m (16.90m)	112.3p (109.4p)	16.8p (-)
National Rail (F)	- (-)	12.0m (9.2m)	31.2p (29.8p)	8p (7.5p)
Robert H Lovell (F)	17.9m (13.7m)	1.66m (0.81m)	2.22p (0.88p)	0.125p (0.11p)
First Holdings (F)	74.8m (75.2m)	11.16m (12.8m)	8.65p (8.51p)	6p (5.5p)
Phoenix (F)	4,22m (4,30m)	-5.17m (-4.71m)	-12.8p (-12.2p)	nil (-)
Williams Resources (F)	18.5m (18.8m)	1.13m (0.88m)	11.83p (10.48p)	2.525p (2.50p)
Witney Group (F)	182m (178m)	6.5m (5.5m)	5.8p (5.8p)	1.8p (1.5p)
Westnet (F)	- (-)	3.43m (3.21m)	22.82p (19.89p)	7.75p (7.52p)
(F) - Final (I) - Interim (II) - Interim				



Storehouse chief's pay package questioned

Nigel Cope
City Correspondent

Storehouse, the retail group which has been plagued by weak sales and a plunging share price, came under fire from shareholders over boardroom pay yesterday. However, the share price surged 9 per cent later in the day following an upbeat trading statement that was made at the meeting.

Alan Smith, chairman of Storehouse, was forced to defend the chief executive, Keith Edeiman, after one shareholder questioned his £72,000 pay package in a year during which the shares had fallen by a third and underperformed the retail sector by 30 per cent.

They are likely to be less happy with the latest thinking on consumer representation. The review is considering moving beyond the existing system of customer committees to widen the public consultation during price reviews.

ing the company's performance measures were "tough indeed" and that, far from being criticised, Mr Edeiman "should be congratulated for the work he has done bringing this company back from the brink of disaster". He said Mr Edeiman's total pay had gone down this year and will go down next year too.

There was better news for shareholders when Mr Smith unveiled the company's trading statement which showed that group sales in the first quarter were 14.5 per cent ahead of the same period last year. Of that, the additional seven weeks of the Children's World acquisition had added 5.3 percentage points.

The combined Mothercare and Children's World sales were 10.8 per cent ahead while those at BHs were 8.5 per cent.

Storehouse shares jumped 17p to 205p on the news, having touched a low of 185.5p earlier this month. However, analysts said the company would need to deliver good re-

sults more consistently if it was to win over its critics. John Richards, of NatWest Securities, said: "There is still a lack of credibility with this company, and I don't think there is enough in these figures to make a difference. The share price reaction is one of relief but, it's a start but there is still some way to go."

He pointed out that because Storehouse had started its summer sale early some of the sales growth would have been made at a lower margin.

There were lighter moments at the shareholders' meeting in central London yesterday. One shareholder, Henry Grimsdale, asked why his local branch of BHs was still stocking Christmas puddings at Easter. "They were the size of thimbles," he said. Another said her family had held shares in Storehouse since 1928 and "I wonder if there is anyone in the room who has held shares longer?" Mr Smith said he would check and quipped: "At least those should have gone up since then."

Mr Smith responded by say-

ing the company's performance measures were "tough indeed" and that, far from being criticised, Mr Edeiman "should be congratulated for the work he has done bringing this company back from the brink of disaster". He said Mr Edeiman's total pay had gone down this year and will go down next year too.

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Gartmore hires US custodian

Tom Stevenson
Financial Editor

Gartmore said yesterday it had contracted the Bank of New York to provide global custody services for £25m of its assets under management. The deal transfers the American bank responsibility for maintaining the security of the fund management group's assets and cash, collecting dividend income and ensuring cash is available for purchases.

The outsourcing arrangement follows the takeover of Gartmore by NatWest and its integration with NatWest Investment Management. Prior to

the merger, the two fund managers managed their own custodial arrangements with different systems and custodians.

Andrew Brown, joint chief executive of Gartmore, said: "In the fund management industry, as in other fields, specialisation has become the key to providing clients with the highest quality service. This outsourcing arrangement will allow Gartmore to focus on our core investment management strengths, while ensuring that our clients receive sufficient value-added custody services."

The Bank of New York acts as sub-custodian for Gartmore in all overseas markets except

for assets worth £1,800m.

Yorkshire Bank Base Rate

Yorkshire Bank announces that with effect from start of business on 11th July 1997 its Base Rate is increasing from 6.50% to 6.75%.

Yorkshire Bank
20 Merrion Way, Leeds LS2 8NZ Tel. 0345 034507

With few exceptions, professional firms like to shun the limelight. Since most of them remain private partnerships, they revel in the fact that they are not obliged to disclose the sort of financial data that their clients have grown used to publishing.

But now and again, despite their best efforts, they find themselves making the news for the wrong reasons – as has happened in recent weeks with the failure of the normally ruthlessly efficient Arthur Andersen accounting and consulting organisation to elect a chief executive and, more seriously, with the scrutiny of various firms' roles in the abortive bid for the Co-op.

Understandably enough, David Maister will not be drawn on individual cases, but Andersen's demonstration of the problems of choosing a leader when 2,700 people have a say adds credence to the gurus of professional service firm management's belief that such organisations tend to be anarchies rather than the democracies they pretend to be. Equally, the apparent scramble to advise the Andrew Regan team seeking to break up the Co-op can be seen as an example of a practice Mr Maister feels happens all

too often – "departing from strategy for short-term expediency". Professionals should remember the reputed slogan of the mighty investment bank Goldman Sachs, he says. "Be long-term greedy, don't be short-term greedy."

A Brit long settled in the United States, Mr Maister, a former professor at Harvard Business School who has been advising lawyers, accountants and other professionals around the world full-time for the past 12 years. It started, he says, with a theory that professional firms needed a different approach to management from other forms of business. When "it turned out to be factually true", he found himself with a career.

Though his columns in *Legal Business* and its US equivalent, *The American Lawyer*, attract a devoted readership, Mr Maister – whose second book, *True Professionalism* (Simon & Schuster, £16.99) – is just out – differs from many gurus in insisting that "there is nothing new" to what he is saying. Most of what he proposes firms know to be right: his role is to try to give them the courage of their principles – not mine".

One of his approaches is to seek to convince professionals that they should be having fun. Using the fact that only about a third of those he sees would stick to their chosen career if they could earn the same amount doing something else, he sets about attempting to demonstrate that they would be far more successful, and happier, if they concentrated on what they enjoyed and abandoned what did not fulfil them.

He claims to get about 95 per cent "intellectual agreement" with the notion, but admits that only about 15 per cent have the energy or enthusiasm to go out and try to change things. Most of the rest are too busy doing more of the same to speak out.

He likens this to his own inability to go on a diet:

Other



COMMENT

'Only Hambros, the Bank of England, the Securities and Futures Authority and Norton Rose themselves know the full story leading up to yesterday's unsatisfactory public execution of line soldiers'

N. WATKIN

Hambros dirty linen should see light of day

If Sir Chips Keswick, chief executive of Hambros, believes he can now draw a line under his bank's involvement in the Co-op affair, he is as sadly misguided as when he rashly backed Andrew Regan in the first place. The ooo-publication yesterday of the Norton Rose report is about the most unsatisfactory outcome imaginable for the struggling bank.

After a truly extraordinary display of obtuseness by all sides yesterday, it finally emerged that Hambros is unable, for legal reasons, to hang out its dirty laundry and have done with it. By design or otherwise, the Norton Rose inquiry was conducted under the terms of an obscure section of the Banking Act which ensures its contents must remain under wraps. Section 39, for those frivolous souls who haven't committed the Banking Act to memory, allows the Old Lady to override client confidentiality in its search for the truth about a bank's systems and controls. Once an investigation is conducted under this arcane provision, no-one, it seems, is allowed to say anything at all about its findings.

Which leaves us all biding in the dark, as usual. Only Hambros, the Bank of England, the Securities and Futures Authority and Norton Rose themselves know the full story leading up to yesterday's unsatisfactory public execution of line soldiers. It is not possible to tell from Hambros' brief announcement either whether this is sufficient retribution, or even if it is just. The beautifully decorated generals in the boardroom must decide for themselves whether they have behaved honourably.

Clients of Hambros are meanwhile left wondering whether it is worth sticking with a corporate finance division that was so desperate to enhance its presence and improve its returns that it backed a wrong 'un and stuck with him well after it should have walked briskly away.

The SFA and the Bank of England will be taking a close look at the exact sequence of events during that hideous week in April when the full truth about Mr Regan's tilt at the Co-op emerged. First they will want to know, as we all do, what Sir Chips Keswick and Lord Hambros knew and when they knew it. As always in these affairs, the next question has to be if they didn't know, why didn't they know? For a manager it is hard to know which is the worse sin – knowing, or the negligence of not knowing. Failure to give a full and explicit answer to these questions may ultimately prove more damaging to the bank than the embarrassment of the affair itself.

No reasoned argument behind Budget criticism

Has the City's romance with New Labour run its course? The FTSE 100 and gilts are still well above their election-day levels, but the chaps who run our capital markets seem to have concluded that if the Prime Minister is against fox-hunting, then Labour's economic policies have become fair game for attack too. First of all, the reason the Bank of England is absolutely right to be

wear black tie for the Lord Mayor's dinner, or drink a scotch during the Budget, and now New Labour is going to kill off our weekend sport as well.

City criticism of the Budget certainly seems more of a case of returning to traditional political allegiances than one of reasoned argument. The standard line in the City is that Gordon Brown's failure to get tough by taxing consumers is to blame for rising interest rates and the strong pound.

There are several holes in this rather flimsy argument. First, as Gavyn Davies of Goldman Sachs, our Monday columnist, has pointed out, it is a standard economist's rule of thumb that it takes £1bn net increase in taxes to do the same work in slowing growth as a 1 percentage point rise in interest rates. Few of the analysis now buying about the Budget were demanding a £1bn tax squeeze two weeks ago.

More important, very few serious economists still think it is possible to fine-tune the business cycle by varying taxes and spending. Compared to monetary policy, fiscal policy is too slow, cumbersome and uncertain in its effects. Altering tax rates over the course of the business cycle also undermines the long-term stability of the economy by making it harder for businesses and consumers to plan. The Government would be committing a far graver mistake if it thought it right to put tuppence on taxes now and take it off again in a year's time. Above all, the reason the Bank of England is absolutely right to be

increasing interest rates now, despite the dilemma posed by the strong pound, is that the last Chancellor did not do enough in the run-up to the election. He turned down the Bank's advice for the five months before 1 May, and it is now clear that he was wrong.

A combination of higher borrowing costs and an overvalued exchange rate will slow down growth, perhaps quite sharply, and nobody is going to enjoy that very much. But the touchpaper on this booby trap was lit months ago and a hit of a bust is inevitable.

There is nothing either the Chancellor or the Bank can do about it now apart from sticking to the very welcome new framework for setting long-term macroeconomic policies.

SAMs could change the mortgage market

Britain's stock of owner-occupied housing is apparently worth well over a trillion pounds. That's rather more than the entire quoted equity market in the UK and at least four times bigger than the gilt market. Yet it is also an asset base which remains entirely closed to institutional investors. Until now that is. SBC Warburg is next week launching an ingenious scheme for securitising the housing market, albeit in a small way to begin with, thus opening it up for the first time to pension funds, insurance companies and other institutional investors.

For pension funds, the possibility of

investing in residential housing is obviously an attractive one, made the more so by the Government's abolition of tax credits on dividends. Though housing has come nowhere near enjoying the post-War return on equities, it is on the whole less volatile and over the long term pretty much inflation proofed.

Warburg is backing the security with what are called shared appreciation mortgages, or SAMs. In a SAM, the house owner gives up a proportion of any appreciation in the value of the property in return for a lower interest rate on the loan. Obviously this is not something anyone would want to do given the choice, but it does seem to hold attractions to certain types of borrower, especially those with negative equity and elderly "asset rich but cash poor" property owners.

Bank of Scotland is the only mortgage provider offering SAMs at present, and the take up in relation to the housing market as a whole is tiny. But properly marketed through intermediaries, SAMs could become a not insignificant part of the mortgage market. The really interesting question is whether, if this does prove a popular investment with institutional investors, it might in itself exert extra upward pressure on the housing market. Theoretically it should do, for if it represents a previously untapped flow of funds into the sector. However, it would take a veritable explosion in this type of security to make much impact on a trillion pound market place. Warburg's initial offering is only £130m worth.

Football clubs set to flood on to the market as rules relax

Andrew Yates

The UK quoted football sector is set to explode into life over the next few months. Moves by the English Premier and Football Leagues to relax restrictions on the ownership of football clubs will lead to a flood of flotation. A plethora of European clubs are also eyeing up the UK stock market.

Leicester City, the Premier League club which won the Coca-Cola Cup last season, yesterday set the ball rolling by confirming it planned to float by reverting into Soccer Investments, the quoted cash shell created by venture capitalist group Apax Partners. The combined group will be valued at £35m.

Apax plans to bring at least one more big-name football club to the market before the start of the football season next

month. Domestic targets are understood to include two Premier League teams, West Ham and Derby, and the First Division promotion hopefuls, Wolverhampton Wanderers and Manchester City. Apax has also had talks with several leading European clubs thought to include Atletico Madrid, the Spanish club which recently signed Brazilian midfield ace Juninho for £12m, Dutch club PSV Eindhoven, currently owned by electronics giant Phillips, and leading Portuguese club Benfica.

"We are considering European Soccer Investments. We certainly have a lot of interest from clubs and investors," a spokesman for Apax said yesterday.

This could be just the tip of the iceberg. Several other European clubs have advanced

plans to float in the UK, according to industry sources. Italian footballing giant AC Milan recently appointed NM Rothschild to advise on its flotation. Other clubs considering floating in London include Inter Milan and Bologna, the Italian clubs, Beira, one of the largest clubs in southern Spain, and Oporto and Sporting Lisbon of Portugal.

"There is likely to be a flood of European football clubs coming to the UK in the near future. The AIM market is attractive to these clubs as it does not require them to have a three-year profit record," said Tony Frazer, head of a specialist football fund run by investment bank Singer & Friedlander.

Under Premier League rules, investors who own a large stake in one team are not permitted to own more than a 10 per cent holding in another club. However, these rules look set to be relaxed, paving the way for a host of domestic flotation.

"A working party is looking into this and may well decide to raise the level higher than 10 per cent," said a Premier League spokesman. The Football League, which looks after the UK's lower footballing divisions, looks set to follow suit.

Investment funds have already been told informally that they can breach the 10 per cent limit so long as they clear it with football authorities first, according to industry sources.

Leicester City had one of the most successful seasons in its history last year under the inspirational leadership of Irish manager Martin O'Neill, finishing in the top half of the Premier League and lifting the Coca-Cola cup. It will use the

£10m already raised by Soccer Investments to buy new players and expand its stadium, increasing the capacity of Filbert Street from 22,500 to 31,000 spectators.

Soccer Investments floated on AIM last April, vowing to sign up a Premier League team by the start of the season. Its four directors, including Alan Hansen, the Liverpool football player turned TV pundit, stand to make a large profit from the Leicester deal. They were each awarded 10,000 share options on becoming directors. These could be worth upwards of £20,000 each if, as analysts believe, Leicester is valued at around £50m when it starts trading on AIM.

Soccer Investments' shares were suspended at 110.25p yesterday pending its acquisition of Leicester City.

Football clubs considering stock market flotation



Manchester City



Leicester City



Atletico Madrid



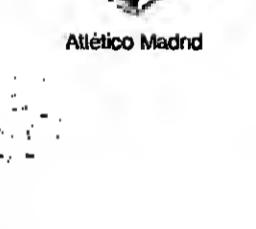
Wolverhampton Wanderers



West Ham United



PSV Eindhoven



Derby County

Mansfield appointed Capital chief executive

Paul McCann
Media Correspondent

Capital Radio has moved quickly to plug the senior management gap left by Richard Eyre, chief executive, who has left the company to join ITV. Following a rapidly convened board meeting Capital yesterday announced that Mr Eyre, who will be chief executive at ITV, will be succeeded by David Mansfield, currently group managing director with responsibility for operations.

Mr Mansfield has been with Capital for four years, first as group commercial director with responsibility for advertising sales before he was appointed group managing director this year. He was hired two years after Mr Eyre as part of the radio group's strategy of enhancing its management skills by bringing in executives from outside the radio industry. Before joining Capital, Mr Mansfield was director of sales and marketing at Thames Television.

Martini King, station manager of Capital 101, is being tipped by industry insiders to replace Mr Mansfield as

group managing director. Ms King was brought to Capital by Mr Mansfield from the *Guardian's* advertising sales team in 1993. Mr Mansfield worked closely with Mr Eyre and is expected to continue the group's strategy of using the Capital brand to expand into the leisure sector while gearing up the radio side of the business for the advent of digital audio broadcasting (DAB).

Ian Irvine, chairman of Capital Radio, said Mr Mansfield's

appointment would allow a consistency of approach: "David has worked alongside Richard leading a strong executive team. He has been closely involved in the development of strategy and the operations of the business for four years."

At ITV Mr Eyre will report to the ITV Council, which is made up of the chief executives of the ITV broadcasters.

Although the council includes industry heavyweights such as Steve Morrison from Granada, Roger Laughlin from United News & Media and Clive Jones from Carlton, the ITV Council's chairman, Leslie Hill, emphasised that Mr Eyre's role was "the big job" and he would have a large degree of autonomy and responsibility.

Mr Eyre, who joins ITV in October, faces the task of merging the functions of the ITV Association, which under director Barry Cox oversees the network's digital plans and lobbying with the Network Centre's scheduling, programming and marketing functions. An early job will be to find a scheduling head to replace Marcus Plantz, the outgoing network director.

David Mansfield: Has been with Capital for four years

AEA float cost public £141m

Chris Godsmark
Business Correspondent

Taxpayers emerged with a £141m bill in the aftermath of last autumn's privatisation of AEA Technology, the final state sell-off by the previous government. It was revealed yesterday.

The Department of Trade and Industry wrote off loans of £141m to UK Atomic Energy Authority (UKAEA), the state-owned research and decommissioning organisation from which AEA Technology was spun off. According to UKAEA's annual report, published yesterday, the DTI "extinguished" £55m of temporary borrowings from the National Loans Fund and a further £86m

of long-term capital loans.

Derek Pooley, chief executive of UKAEA, said the money was used to restructure the combined body prior to AEA Technology's privatisation.

The move involved buying off potentially profitable commercial science and engineering activities, leaving nuclear decommissioning and waste treatment liabilities under public control and cutting hundreds of jobs.

The disclosure is likely to add to concern that the sale, which raised £224m, was hugely undervalued. The shares have since risen from the 280p float price to 422p, valuing the company today at £340m.

Mr Pooley insisted the money had been well spent by the government. "Clearly a lot of it went on shedding people and making redundancy payments. A lot of nuclear research for the government had to come to an end. That was a very good exercise overall and AEA Technology was a successful privatisation."

The report also showed Mr Pooley was given a 25 per cent increase last year, taking his total earnings to £115,340.

AEA also announced yesterday it was making its fourth, and largest, acquisition since it was privatised, by paying C\$78m (£43m) for Hypertech, a Canadian company in the process simulation software business.

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Taking Stock

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Hyder waters down tax burden

THE INVESTMENT COLUMN

EDITED BY SAMEENA AHMAD

Some things in life are just not fair, as Graham Hawker, chief executive of Hyder, found to his cost in last week's Budget. His watered-down reaction for public consumption, that the tax was "particularly harsh", was echoed by most City analysts. The £282m bill, made up of £192m for Welsh Water and £90m for Swater, amounted to 24 per cent of Hyder's market value. Compare this with Anglian, which will pay a levy worth 11 per cent, or British Telecom, which "escaped" with a tax of only 1.7 per cent.

Hyder's decision to launch a "fundamental review" of its finances unsettled the share price just when shareholders in every other privatised utility saw the value of their investments surge. Yesterday Hyder's shares ended 21.5p higher at 827.5p as investors breathed a well-earned sigh of relief at the company's announcement that it was "confident" it could continue to deliver "satisfactory" dividend growth despite the scale of the burden. Hyder plans to change precisely nothing.

The group has no plans to cut spending. The tax, payable through increased borrowings in two tranches by December 1998, will raise Hyder's annual interest bill by £20m. One possibility was to reduce the discretionary investment programme on environmental improvements, worth £20m plus annually. But this is too difficult, politically and practically, to contemplate. The same could be said for the second option, to cancel the £1m of annual cuts in bills to customers agreed with Ofwat under its voluntary "statement" programme.

The reason for Mr Hawker's confidence says much about the continued strong prospects for profits and dividend growth across the water sector. Though Hyder's gearing will rise from 100 to 200 per cent, it should still manage a decent increase for the current financial year of 11 per cent in money terms, compared with the 14 per cent forecast by analysts before the windfall tax. With a prospective yield of 7.5 per cent, it suggests plenty of prospects for capital growth. As the table shows, some of the healthiest companies will manage dividend increases of up to 14 per cent. The real crunch will come, not with the windfall tax, but in 2000 when the regulator is expected to make substantial price cuts to bring down dividend growth.

The current price formula, which allows real term increases in bills to fund investment spending, leaves plenty of room for water companies to

Helical Bar still a property star

Some of the property industry's supposed star performers such as Burford and Argent, have fallen to earth in recent months. However Helical Bar, one of the unsung heroes of the sector, keeps on producing the goods.

Under the guidance of charismatic chief executive Michael Slade, Helical has built up a £550m development programme that is the envy of the industry.

This seems a big step for a company capitalised at less than £100m. But Helical has mitigated the risks by taking on a large number of smaller

schemes and pre-selling most of the sites to institutions keen to invest in direct property. And it has shown over the past 10 years that it can consistently spot a good deal.

Its investment portfolio is also well placed to cash in on the property upturn. It has been quick to take advantage of the strong London market by selling industrial property and fitting into City offices. This fleetness of foot should stand it in good stead.

On the downside, the 1 per cent increase in stamp duty for larger property transactions announced in last week's Budget and rising interest rates are bad news for the industry. But this won't be enough to strangle the market recovery. The removal of tax credits on dividends will also make property a relatively more attractive investment for pension funds and life assurance companies than equities.

Given that Helical has a large chunk of convertible preference shares its net assets should be valued on a fully diluted basis. Net assets for the year to March rose to 372p (330p). Credit

LyonMais Laing forecasts net asset value of 445p this year, putting the shares on a prospective premium to net assets of 15 per cent. But that ignores the value of the development portfolio not reflected in the balance sheet.

Even on conservative estimates the profits from this investment will add at least 100p to net assets per share. Helical's shares, up 16p to 513.5p yesterday, still offer sound value.

Stoves disappoints with warning

When Stoves, the designer cooker makers, floated at 163p two years ago the excitement which rapidly took the company to a 330p high is easy to understand. Stoves' niche position selling customised cookers in a staggering 50 million variations of colour, finish and style and its quality after-sales back-up looks like a winner.

Stoves can ask premium prices while made-to-order, flexible production means low stock levels and tight costs. However, the timing was a bit off. The slow consumer recovery, combined with a hot summer last year, took their toll and the shares slumped.

However, with windfall cash around and housing moves on the rise, Stoves should be doing better. So yesterday's trading warning was a disappointment. But there is no fundamental concern. While election nerves left the UK cooker market down 10 per cent in the three months to end May, Stoves' sales fell just 3 per cent. Strong growth in the first three months means the group should still turn in a healthy 27 per cent rise in full-year sales to £80m with profits up a fifth when the figures are published on 19 August.

Meanwhile, a newly appointed MD for the UK business frees up John Crathorne, chief executive, to focus on strategy which includes a cautious step into the US, where upmarket European brands are in demand, expansion in Germany, a merger in France and a move into other hi-tech kitchen appliances.

Mike Costello at house brokers Kleinwort Benson has cut full-year forecasts to May by £400,000 to £5.5m, but has raised 1998 and 1999 numbers by £200,000 to £7.2m and £8.2m. The shares, down 7.5p to 270p yesterday, are trading on 20 times this year's earnings and 14 times for 1998. That looks right.

City suits rally round to support fox hunting

PEOPLE & BUSINESS



Evelyn de Rothschild: In favour of hunt meetings

Bank and Zara Hyde of Eso UK. But Roger, 49, is in effect head of KPMG's UK corporate recovery practice, thus a "CEO", and considering his age an example to us all.

"I was really pleased," he said yesterday. "I came third last year. I don't go running every day – I just seem to have a natural ability for it."

Mr Oldfield is fiendishly clever at selling property out of busy companies. He managed to sell off the Broadgate office complex in the City when Mountleigh went belly up. In 1990 he almost persuaded me to buy a flat in Bow Quarter, a development in east London. Yesterday he was relaxing at the Loch Lomond International Golf Classic as a guest of a company which bought some land off him in 1987.

The client in question bought the Stockton heavy engineering works on which Margaret Thatcher walked for that famous photograph of industrial desolation in the 1980s. It now houses a thriving business park.

But Mr Oldfield may be finally slowing up. His fellow partner Tony Thompson tells me he's just taken up golf.

The Rugby Football Union (RFU) isn't the only institution suffering a "Peasants' Revolt". The election for a new independent financial adviser (IFA) representative on the PIA board has brought forth Roddy Kohn, an independent independent, so to speak, who won by a whisker. He beat the man anointed by the PIA board, Michael Bryant, who has just retired after 25 years with Rathbone Group.

Perhaps Mr Bryant should have paid more attention to a motto "A PIA recommendation is the kiss of death."

John Wilcock

better management in UK companies, and is seen as an excellent vehicle for meeting other like-minded people, ie networking. It has a following of 21,000.

Ms Egan is in the forefront of this drive, having been the RSA's Programme Development Director when it published the "Tomorrow's Company" report. This was the management study which brought the idea of stakeholding into the public gaze.

Ms Egan, the first woman director in the RSA's 243-year history, has the experience to give it an even higher profile, having worked as a press spokesperson in 10 Downing Street for Harold Wilson and Jim Callaghan.

Congratulations to my old friend Roger Oldfield, a receiver with accountants KPMG, who won the trophy for "fastest chief operating officer" in an annual 3.5-mile race on Wednesday.

Overall he actually came third, in 22 minutes 40 seconds,

in the 1997 Chase Corporate Challenge, behind Matt Barnes of Barclays

The water sector: At a glance



The impact of the windfall tax on water companies

Company	Windfall levy (£m)	Forecast net profit 1997/1998 (£m)	Forecast dividend growth 1997/1998 (%)
Anglian	132	232	13
Hyder	282	158	10.7
Marinepool	79	14	n/a
Northumbrian	315	318	12.3
Scottish Tideway	104	117	11.7
South West	104	117	11.7

Foreign Exchange Rates					
Sterling	Dollar			D-Mark	
	Spot	1 month	3 months	Spot	1 month
US	1.6877	1.75	1.54-55	1.0000	1.0000
Canada	2.1852	1.71-65	2.03-20	1.3373	1.32-31
Germany	1.2054	1.20-22	1.20-22	1.2054	1.20-22
France	1.8504	1.80-82	1.80-82	1.8504	1.80-82
Ireland	1.2682	1.24-24	1.24-24	1.2682	1.24-24
Japan	1.0016	1.04-06	1.03-07	1.0016	1.04-06
ECU	1.5333	1.53-51	1.53-51	1.5333	1.53-51
Netherlands	1.2593	1.24-24	1.24-24	1.2593	1.24-24
UK	1.2593	1.24-24	1.24-24	1.2593	1.24-24
Denmark	1.2593	1.24-24	1.24-24	1.2593	1.24-24
Netherlands	1.3274	1.30-32	1.30-32	1.3274	1.30-32
Ireland	1.0562	1.05-06	1.05-06	1.0562	1.05-06
Norway	1.2663	1.26-26	1.26-26	1.2663	1.26-26
Sweden	1.2663	1.26-26	1.26-26	1.2663	1.26-26
Austria	1.2475	1.24-24	1.24-24	1.2475	1.24-24
Hong Kong	1.3067	1.32-32	1.32-32	1.3067	1.32-32
Malaysia	1.2016	1.20-20	1.20-20	1.2016	1.20-20
New Zealand	1.2156	1.21-21	1.21-21	1.2156	1.21-21
Singapore	1.2473	1.24-24	1.24-24	1.2473	1.24-24

Forward rates quoted high to low at discount:
add to spot rate
*Dollar rates quoted as reciprocals.
For the latest foreign exchange rates call 0891 123 3033.
Calls cost 50p per minute.

Interest Rates

Country	UK	Germany	US	Japan	UK
France	6.75%	4.50%	8.50%	0.50%	10.75%
UK	6.75%	4.50%	8.50%	0.50%	10.75%
Germany	6.75%	4.50%	8.50%	0.50%	10.75%
US	6.75%	4.50%	8.50%	0.50%	10.75%
Japan	6.75%	4.50%	8.50%	0.50%	10.75%

Bond Yields

Yield calculated on face value.

Source: Financial Times

**Data not available.

***Data not available.

****Data not available.

*****Data not available.

sport

Jones finds fresh source of inspiration

Golf

ANDY FARRELL
reports from Loch Lomond

When Steve Jones enters the interview room, the usual questioning procedure is slightly altered. "Birdies, bogeys and your current reading matter, please, Steve," is the revised opening gambit.

Jones who spent nearly three years recovering from a dirt-bike accident in 1991, was inspired to win the US Open a year ago by reading a biography of Ben Hogan. Currently, his

bedside table is occupied by a book published in 1959, but further he will not reveal. "I have to wait until I win something, then I reveal it," he said. Full disclosure may come tomorrow evening, but he would not be worried if it had to be delayed until a week on Sunday.

A round of 65, just Wednesday's course record, both confirmed the American as a contender for the Open at Troon next week, and gave him the second-round clubhouse lead in the Gulfstream World Invitational at eight under par. An afternoon thunderstorm caused a suspension in play with Tom Lehman the leader on the course at 10 under after 11 holes, one ahead of Joakim Haeggman, with Paul Goydos and Jones. A scheduled resumption at 6pm came and went as more lightning threatened the area.

In contrast to the previous day's glorious sunshine, yesterday dawned grey and cool, with more of a breeze than for the first round. Jones kept his jacket on for the front nine to keep warm but by posting his score early in the morning, he avoided the frustrations of being interrupted later on.

would have been a shame, as he was on a roll from the moment he rolled in an eight-foot putt for an eagle at the third.

Five more birdies, and just one dropped shot, followed. "I feel I am getting back to being close to the form when I won the US Open," he said. The 38-year-old

followed that success by winning the Phoenix Open in January by 11 strokes. "When I am swinging and my putting is going, I can win any tournament, anywhere," the 38-year-old added.

"I am a streaky player."

In April and May, however,

Jones missed four cuts in a row.

"I felt I could not break 100," he said. Not that he contemplated retirement or anything so extreme. "What would I do if I retired? I'd go fishing and play golf. That's what I do at the moment already, but I wouldn't get paid."

Greg Norman added a second 68 to move to six under, but Nick Faldo regressed with a 73. "It did not feel right for most of the round from the opening tee shot," said the Englishman after he came home in three over. It hardly seems the best time to go back to the drawing board, but Faldo left seeking the answer to what was wrong.

which is not permitted in a dangerous weather situation, he was disqualified.

GULFSTREAM LOCH LOMOND WORLD INVITATIONAL Early heading second-round scores (10am local time):

US OPEN: 65-65 = 130 G Norman (Aus) 68-68, S Field 68-68; 137 T Purser (USA) 68-69; 128 P Broadhurst 68-70, G Day (USA) 69-69; J Sanders 69-69; 109 D Clark (USA) 70-69, P McGilroy 70-69; A Callewaert (Belg) 68-72, 140 V Guttur 69-72, R Agency (Aus) 69-72, D Clarke 72-68, N Faldo 67-73, C Sweeney (Ire) 70-71, P T O'Farrell 70-71, A Kinsella (Ire) 70-71, P Harkness 70-72, A Cooper 73-69, J Hawkes (Aus) 72-70, W Weetman (SA) 72-70, P Stoyanov (Bulg) 75-67, D Howell 67-75; 141 M Goss 71-72, P Heffernan 68-71, M James 72-73, P Harrington 71-72, I Westwood 70-73, P J Johansson 69-72, 142 M Rees 73-70, 144 D Fazio 73-70, 145 S Lyde 73-72, 146 S Tomlison 73-75, 148 S Lee 74-75; 158 S Balderstone (Ire) 70-71, 144

Villeneuve

faces up

to Ferrari

challenge

Motor racing

Jacques Villeneuve, the pre-season favourite for the Formula One world championship, believes complacency has cost his Williams team dearly and that he now must work harder to revive his title challenge in the British Grand Prix on Sunday. Villeneuve has fallen off the pace in recent weeks, allowing Michael Schumacher to steal a 14-point advantage in his Ferrari. "This is obviously a very important race for us," Villeneuve said. "But I am reasonably confident. We went well in testing at Silverstone and I feel sure we can achieve a good result. We need one as we have to cut the gap."

"We went very well at the start of the year, perhaps too well," the Canadian added. "It meant the team started to concentrate on next year's car, the 1998 one with the new regulations, instead of working on developing the new ones."

"Maybe we got caught out because it allowed Ferrari in particular to catch up. Now we have got our work cut out to stay in the fight and it is important we do well at Silverstone."

While Villeneuve plots a comeback on Williams' "home" track, the closest to their Grove base in Oxfordshire, Schumacher goes for a third successive victory in his challenge for a third world title in four years.

"I have never won at Silverstone," Schumacher said. "That is something I would like to correct as soon as I can. For me, it would be something special to win at Silverstone, but of course it would also be another big boost to my championship chances."

Schumacher said he did not expect to lead by 14 points at the half-way stage this season, but admitted: "The team has made fantastic progress with the car in recent weeks, both in reliability and performance."

"This year's race is on a revised 5.14-kilometre (3.19-mile) track and should be the fastest race of the season so far. "It is a good compromise between speed and safety and I expect our car to go well there," said Villeneuve's team-mate, Heinz-Harald Frentzen. "Hope I can bring the team their 100th win on the track where they won their first."

Vasseur ends Cipollini's reign as leader of pack

Cycling

ROBIN NICHOLL
with the Tour de France

Cédric Vasseur produced a battlestroke to blunt the sprinters' rapier thrusts when he ended Mario Cipollini's reign in the Tour de France with a solo run of 147 kilometres into La Châtre yesterday.

After five days in the leader's yellow jersey, the Italian was braced for dethronement, but it came from an unexpected quarter as Chris Boardman's man succeeded where other team-mates had failed.

Vasseur finished 2min and 32sec clear of Australian team-

mate Stuart O'Grady and third-placed Spanish rider Francisco Cabello to reclaim the colours Boardman had taken from Vasseur on day two in Forges-les-Eaux.

He is now 2:17 ahead of Cipollini who has German Erik Zabel just two seconds behind him with Boardman, 2:54 in arrears, in fourth place.

Vasseur was the type of French hero that George Sands, resident nearby in the mid-1800s, would have written into his romances. Instead he merits raves in the French press and a paragraph in Tour history.

"I wanted to win a stage, so the jersey is the cherry on my cake," Vasseur said. "It will re-

main one of the greatest moments in my career... it's like living a dream."

As Zabel, only four seconds short of the yellow jersey, had the show snatched from under his nose, his Belgian team boss, Walter Godefroot, remembered Vasseur's dad, Alain, beating him to a Tour win 27 years ago in Felsberg.

Yesterday dad was at home watching his son score only the second victory of a four-year career with a solo that was not the Tour's longest.

After this Tour's constant skirmishing to snatch back seconds in sprints, the fast finishers capitulated yesterday as Vasseur, screamed on by thousands roaring under the sun, stretched his lead to almost 18 minutes.

He had started in Chantonnay 1:37 adrift of Cipollini, and when he sped away it had the hallmarks of the previous three days when his teammates and former team-mates tried to go it alone.

Cipollini and Zabel were left to fight for scraps, 3:24 after Vasseur had finished. They opened a new offensive yesterday as the Italian edged out the German in his opening gambit to regain the green jersey of top points scorer.

Alex Züle stepped out of the fray yesterday. Optimism turned to commonsense as the Swiss, with 12 pins in a shattered collar-bone, agreed with his team manager, Manolo Saiz.

that the risks were too great.

"If there was a mountain stage tomorrow he would have continued, but he cannot afford to fall again," Saiz said. "Every stage is dangerous and there are too many risks in these flat races when the pack is riding close together."

So Züle flew to Barcelona to have his shoulder checked by his surgeon before joining team-mate Johan Bruyneel for training at Alicante less than three weeks after his Tour of Switzerland crash.

TOUR DE FRANCE STAGE 5 (Chantonnay to La Châtre) 261.5 Km/162.5 miles
STAGE 6 (La Blanche to Marennes) 215.5 Km/134 miles
STAGE 7 (Marennes to Arès) 200 Km/124 miles
STAGE 8 (Arès to Bergerac) 200 Km/124 miles
STAGE 9 (Bergerac to Cahors) 200 Km/124 miles
STAGE 10 (Cahors to Le Puy-en-Velay) 200 Km/124 miles
STAGE 11 (Le Puy-en-Velay to Clermont-Ferrand) 200 Km/124 miles
STAGE 12 (Clermont-Ferrand to Saint-Étienne) 200 Km/124 miles
STAGE 13 (Saint-Étienne to Gap) 200 Km/124 miles
STAGE 14 (Gap to Briançon) 200 Km/124 miles
STAGE 15 (Briançon to Bourg-Saint-Maurice) 200 Km/124 miles
STAGE 16 (Bourg-Saint-Maurice to Annecy) 200 Km/124 miles
STAGE 17 (Annecy to Chambéry) 200 Km/124 miles
STAGE 18 (Chambéry to Chantonnay) 200 Km/124 miles
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Villeneuve
faces up
to Ferrari
challenge
Motor racing

Toller's Cup long-shot mutes Applause

Racing

RICHARD EDMONDSON
reports from Newmarket

There was a strange noise here yesterday as the chestnut blur of Compton Place flashed past the post in the July Cup. It was the sound of nothing. There followed a collective snapping of satchels. Anyone who claimed to have backed Compton Place was either lying, living at that address or holding the form book upside down. This was reflected in its starting price of 50-1.

One of the trade newspapers had informed us that the three-year-old had "plenty to find at this level". But locate it he did, and there seemed little material with which to construct a quirk theory. Compton Place quickened thrillingly to take command of the Group One sprint a furlong out and comfortably beat off the challenge of the favourite, Royal Applause. "It wasn't a dink because this is definitely a good horse," James Toller, whose previous training Everest was

Nagida's Wokingham Stakes victory, said.

"Everyone's been telling us all year that the sprinters aren't that great a bunch and I've always felt we haven't really got the best out of this horse. If it hadn't have been a Group One race I'd have had a right good bet on him at 50-1, but I'm happy with my percentage as it is."

The condition of the July Cup touchpaper horses under a flattening sun had been a credit to their respective trainers. The most taking was Coastal Bluff, who pulls out for action each season only at about the time they pull down the sculls for the

Henley Regatta. He was a tall, imposing presence with a melancholy look in his eye and bandages bunched on his hind legs like granny with her stockings rolled down.

Royal Applause does not possess the explosive chassis associated with sprinters, but nevertheless swings along pleasingly. The colt moved with more alarm in the market, but with his debilitating habit of bursting a gut in the early stages. "I

was able to get him covered up pretty quickly and be switched off a treat," Seb Sanders, the

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was able to get him covered up

pretty quickly and be switched off a treat," Seb Sanders, the

Richard EDMONDSON
NAP: Youdonstoy
(Chepstow 8.40)
NB: Lomberito
(York 2.40)

winning jockey, said at the debriefing. "When I asked him a question the response was immediate. It has always been a dream of mine to ride the winner of a Group One race."

The plans for Compton Place are a little open now, primarily as he was not supposed to win.

"I'm not used to having winners like this where you have to have

it was refreshing to witness a jockey for whom collecting big races had not become commonplace. Sanders' face is worth remembering, not least for the fact that you should never buy a second-hand car from him.

The 25-year-old from Tamworth has been scampering around the country from season's outset and with 500 rides already to his name is the second-best jockey behind Jimmy Quinn.

The plan for Compton Place are a little open now, primarily as he was not supposed to win.

"I'm not used to having winners like this where you have to have

smart plans with them," Toller said. "I think I'll go home and just draw a little bit."

Barry Hills though has the Haydock Park Sprint Cup and the Breeders' Cup at Hollywood Park on the agenda for Royal Applause. Earlier in the day the drifter had attended the Countyside Rally ("the first rally I've ever been on") in Hyde Park.

The pro-hunting event was signposted as the Jarrow march for the 1990s, but it is not a general recollection that the Geordies returned to the north-east by helicopter. Hills and others of racing's finest came in by chopper to make a July Cup which had been put back to accommodate their arrival.

They missed the anticipated victory of Embassy, and the return to form of Tumbleweed Ridge, in the Bumby Cup. Mixed in was an assault on racing's Teletubby icon John McCririck, who was the victim of an ice-cream attack as he spoke to camera. They did not, however, miss one of the greatest shocks of the racing year.

Results, page 29

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sport

A personal point of view, one nobody is required to share, is that David Lloyd is in danger of disappearing up his intestinal tract

News came this week of a death in the boxing family, the demise in New York of an old reprobate, Al Braverman, who once called upon a stricken charge to explain why he was crawling on the canvas. "What are you, a fighter or a snake?" Braverman bellowed.

Braverman's luckless students included Chuck Wepner, a heavyweight known otherwise as the Bayonne Bleeder, who missed going the distance with Muhammad Ali by 19 seconds, done in by the exhaustion of his effort as much as by the great man's punches.

Ali, as was his custom with burns, had not even bothered to take Wepner lightly. He trained in the first 13 rounds and fought in the last two. Braverman took the fight, saying, "The whole world is

a mismatch," and Ali prepared accordingly.

The tricks of motivation Braverman employed that night included thrusting ice cubes down the front of Wepner's shorts, yanking at his pubic hair, slapping his battered face and obscene accusations of cowardice. Unimpressed by the suggestion that Wepner was in urgent need of facial surgery, Braverman growled, "Don't worry about the guy, he likes getting cut."

Heating that an accident had caused the loss of my lower right arm Braverman called me in his pool, an embarrassing experience because, for pretty obvious reasons, I had no affinity with him. "I know how you feel," he said. "I got this diabetes and every three months they take a toe."

Many years ago I asked Braverman how he would deal with Joe Bugner who might have made a bigger mark in the heavyweight division had he not been a pacifist. "I'd insult him," Braverman said. "Call him a fairy, a junkyard dog, a kookoo [whatever that is]. I'd tell Bugner that he is a disgrace to humanity. It's the only way with those kind of fighters."

A similar approach was adopted by a British trainer, Freddie Hill, when recruited to work the corner with Bugner's manager of record, Andy Smith. "You big Hungarian poof," was the mildest epithet Hill employed in an attempt to induce more aggressive activity. Smith was appalled. "I won't have you speaking to Joseph like that," he said. "Leave the ring."

coaches, Ian McGeechan and Jim Telfer.

Prominently, McGeechan and Telfer have been called in by England's coach, David Lloyd, in an attempt to absorb the spirit that was central to the success of the Lions in South Africa. What worked for them can work for us if it's unquestionably the basis of his thinking.

A personal point of view, one nobody is required to share, is that Lloyd is in danger of disappearing up his intestinal tract. The buzz word in team sports today is "bonding". Coaches try every device imaginable, to stroke hotter and hotter fires in their players. They believe that the only way to get professionals to practise and play at a proper level of intensity is to hang a drum loudly and constantly.

But where is the pride in an athlete who needs that sort of playing?

Alf Ramsey argued that selection for the national team should be enough motivation. When Bill Shankly was asked how he had felt in Scotland's dressing-room before turning out against England, he said, "I could hear that wee lion on our shirts telling us to sort out these English bastards."

Shortly before Liverpool met Leicester in an FA Cup semi-final replay brought about by Peter Shilton's brilliant goalkeeping, Shankly appeared suddenly at the door of their dressing-room. "Imagine," he said, "that you're being battered by George Foreman when the lights go out. You've got to do it all over again. That's how Leicester are feeling." It was all the motivation Liverpool needed.

Thomas reaches payback time



Iwan Thomas with his Atlanta memento: 'It's scary when I get told that I am the fastest 400m runner this year, but I'm not going to let it bother me. I haven't said to anyone I'm going to win'

Photograph: Robert Hellam

Mike Rowbottom
on the runner out to repay faith with a world title

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With Roger Black, Britain's Olympic silver medallist hampered by a virus, Thomas's prospects are suddenly dizzying. He heads this season's 400m rankings.

Interviewed recently for Channel 4's Saturday magazine programme, Thomas was asked how he felt about becoming Britain's biggest star. "I just laughed," he said. "I don't think of myself as a star. It's scary when I get told that I am the fastest 400m runner this year. But I'm not going to let it bother me. I haven't said to anyone I'm going to win."

"I would be so proud to win it for people like him," he said. "They have so much faith in me."

That faith has been generated by Thomas's impressive record since becoming a full-time athlete 18 months ago.

At the Olympics he won silver as one of the 400m relay team and finished fifth in the individual final. This season, in an event which has wrought havoc on the health of a succession of British athletes, he has gone from strength to strength.

After a second successive winter of training in South Africa, he defeated all his main domestic rivals last Sunday week in Sheffield, where he ran a personal best of 44.49secs. Three days later, in a rain-swept Lausanne grand prix, he took 0.03 off that time in finishing second to the world record holder, Butch Reynolds.

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Eyes closed and thinking of England

Rugby Union

CHRIS HEWITT
reports from Sydney

The jet-lag kicked in with a vengeance yesterday as England sleep-walked their way through their penultimate training session before tomorrow's one-off Test - some would call it an am-bush - in Sydney. "I managed nine hours sleep on Wednesday night so I've cracked it," said Phil de Glanville, the captain. "But it's different for the Lions who flew in from South Africa. They really are suffering."

Heigh-ho, there you go. Just as the Lions re-establish some sort of credibility for northern hemisphere rugby by beating the world champions on their own grasslands, England arrive underbaked and under-prepared for an oddball match with the Wallabies that looks as ill-fated as it is ill-conceived.

Never less than honest, De Glanville made a sharp point or three as he weighed up his chances of becoming the first red rose skipper to venture Down Under and win.

"It's not an unfair match, exactly: international rugby is where the money stands to be made and we all appreciate that fact," he said. "But I've said to the Rugby Football Union that

we'd like to be given at least a reasonable chance to be at our best in big matches like this, to have the odds stacked in our favour as far as possible. Quite obviously, that is not the case on this occasion."

He could have said that over and over again. Not only were the vast majority of the side visibly suffering from the effects of long-haul travel yesterday, they were also required to drive for the best part of an hour in search of a training pitch that did not resemble a community refuse facility. And to add insult to injury, they were once again forced to prepare in the absence of Dave Aired, the most successful kicking coach in world rugby.

England's reluctance to draw Alred into the fold now borders on the embarrassing, especially in the light of his achievements with the Lions. The series against the Springboks was won primarily through the right boot of Neil Jenkins, who accounted for 41 of the 59 points scored by the tourists over the three tests; indeed, the Welshman finished the 13-match tour with a strike rate of 76 per cent and did not miss a single intended kick to touch.

More to the point at issue, Tim Stimpson, the England full-back, matched Jenkins virtually

kick for kick, emerging with a success ratio of 73 per cent. This from a player who had not taken aim at the posts in anger since leaving West Hartlepool for Newcastle in the summer of last year. No wonder the South Africans, who fluffed every last kick at goal at Bath some years ago and I haven't changed my view on the subject. We talk about this pretty regularly and I'm expectant that the reluctance is about to disappear for the good of English rugby. He's a must, as far as I'm concerned."

He should be involved with us," admitted Jack Rowell, the England coach, who is now finding it increasingly difficult

to ignore the fact that the Lions' Test is a must, as far as I'm concerned."

England Lions Graham Rowntree (centre) and Tim Rodber (right) in training yesterday

Photograph: Alisport

Seconds out for the ballroom knife fight

The silver service at London's Hilton Hotel may find itself being used in the ballroom rather than the dining room this evening as delegates gather for what could prove to be Rugby Football Union's night of the long knives.

If last year's annual meeting was a stormy enough affair then this year's could reach hurricane force after 12 months of the sport's equivalent of global warming. There is a growing feeling among the membership that Twickenham has over-reached itself and that the power base needs shifting a touch nearer the game's roots.

It is unlikely that there will be any casualties at tonight's meeting, but the repercussions ramifications and aftershocks could account for a few bodies and reputations over the next few months.

It is unlikely that one of those will be millionaire Cliff Brittle, the 55-year-old former equipment hire company chairman. He has been chairman of the now defunct executive committee, during which time he has been a lone voice against such things as the RFU's negotiations with BSkyB for rights to broadcast all England home matches, including their Five Nations

games, as well as the demands by the senior clubs for a degree of autonomy to run their own game. He is standing for election to the newly-created management board, which will be responsible for the day-to-day running of the game in England.

Brittle, who has the backing of the recently formed RFU Reform Group, whose membership includes the former England captain and RFU committee member, Bill Beaumont, is opposed by the establishment nominee, Bob Rogers, a 53-year-old solicitor from Wor-

cester.

In total there are 10 topics,

the chief of which are a handful aimed at curbing the pow-

er of the acting chief executive, currently the RFU secretary Tony Hallett, who has been appointed pro tem, the position to be reviewed in October.

South Liverpool RUFC is proposing to accord full authority to the chairman of the management board (which should be Brittle) to represent the union in all matters and that he shall oversee the chief executive (Hallett, temporarily at least).

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David Llewellyn sets the scene for today's battle over who runs rugby

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Payback for Thomas
British 400 metres hope talks to
Mike Rowbottom, page 28

Wright fined £15,000 for misconduct

Football

ALAN NIXON

The Arsenal striker Ian Wright was yesterday fined £15,000 — one of the largest financial punishments ever handed out to a player by the Football Association — for misconduct on the field.

The FA decided on the fine, rather than another lengthy ban for the volatile England international, at a hearing at a Hertfordshire hotel yesterday afternoon.

Wright, 33, was accompanied by his manager, Arsène Wenger, at the FA Commission disciplinary meeting, where he was answering charges relating to Arsenal matches at home to Blackburn on 19 April and away to Coventry two days later.

The much-publicised incidents centred on remarks made by Wright to the referee on the first occasion and gestures to the crowd on the second. The FA's director of public affairs, David Davies, announced the fine in a prepared statement yesterday evening.

Liverpool concern over Murphy injury

ALAN NIXON

Danny Murphy's move from Crewe Alexandra to Liverpool was held up yesterday after medical examinations revealed an old knee ligament injury.

The mid-fielder had his Anfield unveiling postponed after checks indicated some damage to both knees from an earlier stage of his career.

Talks between the clubs went on during the day with Crewe pointing out that Murphy has been a regular in their side for the past three or four years and has never encountered any problems.

The £1.5m down payment plus another £5m in instalments may have to be altered to take the discovery into consideration and there is also the question of whether Murphy's knees can be insured. However the signs from both clubs are that the deal will still go ahead.

Paul Ince also made a visit to Liverpool to assure the club he wants to join them, despite reports to the contrary. The England mid-fielder will speak to Internazionale today to inform them he wants to leave,

He said: "The Commission made it absolutely clear to Ian Wright that he could expect no sympathy whatsoever if he appeared before them again in similar and proven circumstances. The severest of penalties that would remove him from the game for a very long time would be inevitable."

Meanwhile, Wenger has turned down a £1m bid for centre-back Scott Marshall from the former Arsenal No 2 and caretaker manager, Stewart Houston, who is now in charge at Queen's Park Rangers.

Wenger has told QPR he wants £1.5m for the Scotland Under-21 defender who was one of seven players made available at Highbury this week.

Marshall's first-team chances will be limited this season because of Wenger's signings and he is going into the last year of his contract. Houston wants Marshall to follow him across London and may make a second attempt to persuade Wenger to sell.

Bolton yesterday strengthened their strike force for next season by signing the Icelandic international Arnar Gunnlaugsson.

Jimmy Quinn is reviving his playing career at the age of 38 after failing to return to management following his departure from Reading. The former Northern Ireland striker has held talks with Peterborough and one of his old clubs, Bournemouth, about returning to action.

Andy Gray, the former Totternhoe and Crystal Palace midfield player, is ending his two-year stay in Scotland by signing for Bury. The Falkirk midfielder, man of the match in the Scottish Cup final in May, will team up again with manager Stan Ternent, who was his coach at Palace.

The West Ham captain, Julian Dicks, could miss the start of the season and be out for up to four months owing to a knee injury. Dicks had an operation at the end of last season, but is still having problems and has not yet started training.

Ronaldo's controversial transfer from Barcelona to Internazionale will be discussed by the governing body of the world game, Fifa, on 22 July.

Fifa's Player's Status Committee will also examine an equally contentious move by French international defender Bixente Lizarazu from Adolfo Böbl to Bayern Munich.

Substitute goalkeeper Maikel Aerts of Second Division side FC den Bosch has become the first player in the history of Dutch football to fail a drugs test. The player's urine sample showed traces of cocaine following a random test on 17 May 17 after Den Bosch's game with Dordrecht '90. Aerts was not playing in the match.

With the £4.25m fee already agreed.

"Liverpool have been a short head away from pipping Manchester United and I feel that if I go there I have a chance of winning the championship even though I have already won it with Manchester United," Ince said.

"It's a challenge for Liverpool, it's a challenge for me. I won every domestic trophy that I could win at Manchester United. I had six good years there but I need a new challenge."

The papers have said that I've already signed for Liverpool, which is not true. As far as I am concerned I am still under contract at Inter and still will be until I sign for another club.

"It's a hard decision. If I come back to England it will be for the family. I've got a wife and two kids and maybe it's the time to come back to England."

Ince believes that his spell in Italy has been worthwhile and said: "As far as I am concerned I've had two good years at Inter Milan."

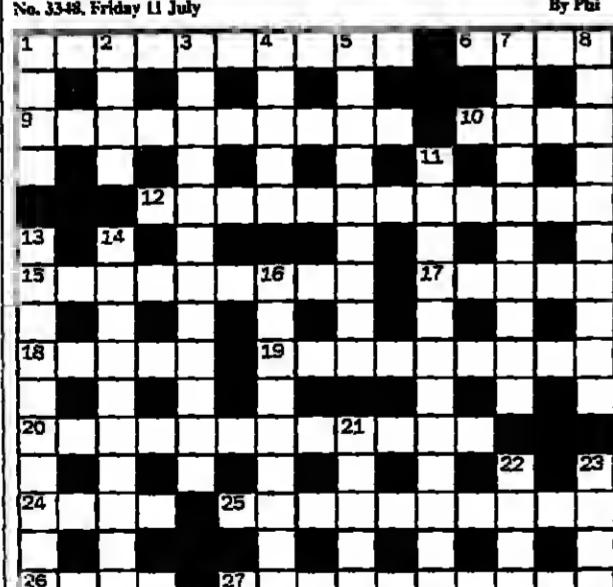
"Thomas, my boy, is five. He has to go to school and we feel now is the time for him to go back to school in England."

THE INDEPENDENT CROSSWORD

No. 3348, Friday 11 July

By Pfi

Thursday's solution



ACROSS

- What makes chip successfully mature without problems? (10)
- Contemptuous creature backed masculine argument (4)
- No laser in this US city, apparently (3,7)
- Incline to be free of stolen goods, and not caught (4)
- Dubiously handsome lot snatching Queen — who's then this? (4,6)
- One's not willing to be automatically of benefit to them (4,3)
- Runs nearly everything behind sport in the country? (5)
- Dislike to accept second in race (5)
- Many supporters — 1 had to get in vehicle and remain standing around (0)
- Is briefly used in horrible watery beers — this? (7,5)
- Really my opinion should be prefaced by this (1,3)
- Criticise a chap — fellow from Scotland or from Central America (10)
- Hold back surprised cry about student artist (4)
- More than one painting activity among whisky producers (5,5)
- Mischief making's beginning in times (4)
- Nothing currently has it (4)
- Paradise that was once found in Downing Street? (6,2)
- Advanced teacher taking the lead (5)
- Lord of the manor has most of path — a depressing fact (9)
- Expect too much of deliveries by rail? (10)
- Modern composer has note on a register (10)
- Northern fortification experienced crumbling in was over friendly state, mostly (8,4)
- Not a term applied to malfunctioning eyelids? (2,3,5)
- Chop up various trees and a piano in anger (10)
- Excitement over sharp action to operate motor-cycle (4-5)
- Graduate detected in falsehood that turns up in modern communication (1,4)
- Mother's abandoning the dog? That should cause a row (4)
- Puts a stop to scraps (4)

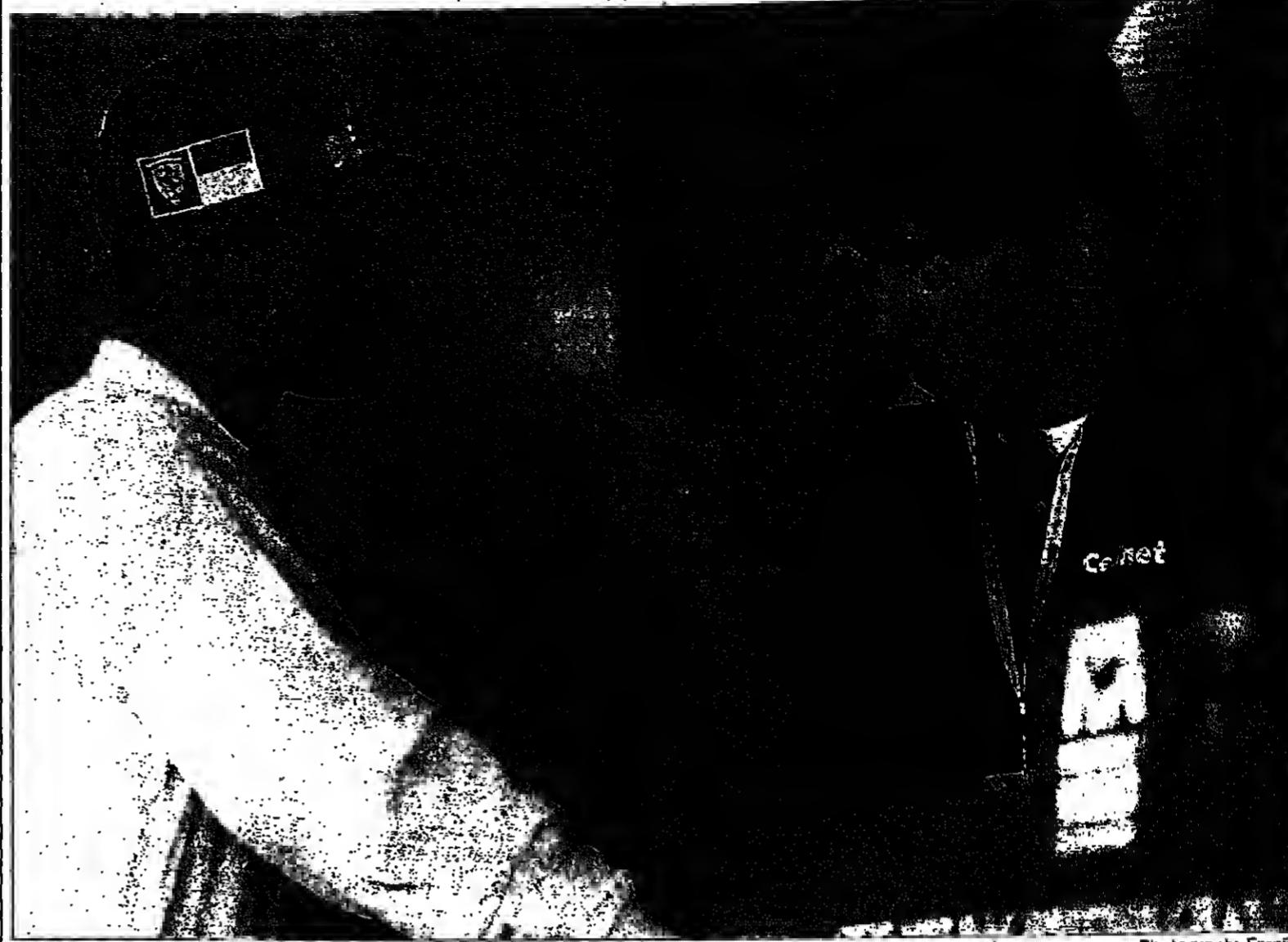
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In the midst of all the

sport

BRITISH GRAND PRIX: Arrows chief says his leading driver must do better



Rivalry renewed: Damon Hill (right), the world champion, and Michael Schumacher meet at Silverstone yesterday

Photograph: Empics

Walkinshaw's warning to Hill

DERRICK ALLSOP

reports from Silverstone

seek another team if he is not convinced Arrows can produce a competitive car next season. Walkinshaw wishes it to be known he requires proof that Hill, who is being paid £4.5m for this year, is worth retaining.

Walkinshaw decided it was time to "be blunt" with Hill after seeing his No 1 driver career across the gravel on the first lap of the French Grand Prix 12 days ago. He spelled out his demands for the second half of the season in a "chat" with Hill and told him he could no longer accept excuses about diminishing motivation.

"By his own admission he's gone to sleep and he's acknowledged it's been difficult for him to drive himself," Walkinshaw said. "We will see how he performs in the second half of the year."

"I don't believe a professional should have any difficulty keeping up his motivation. We signed one of the best two or three drivers in the world to drive the team and provide the motivation — not the other way round."

"Damon has been struggling to get himself into gear, but that

is what we are paying him for. Drivers are paid to do a job in the motor car and they have to do it."

"Any professional is as good as his last race. If you want to be in a better position you should be trying 110 per cent to show others they should want you. If the money doesn't motivate him then the fear of failure should."

The non-performance has been pretty evenly split, 50-50, between team and driver.

We've made a lot of silly mistakes and we've got to stop it. It's my responsibility to treat Damon and talk to him like any other member of the team."

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Jordan's success in the bidding for Mugen-Honda engines next season has been interpreted as a serious setback for Arrows, but Walkinshaw maintains he is satisfied with his plans that department and expects to make an announcement at the end of next month. "Things will be better next year," he insisted.

Hill, meanwhile, was still talking of his frustration. He said: "I got used to seeing my name at the top or near the top of the timesheets. Now I have to scroll down to page two to find it and that saps your oomph. So it's difficult, that I should push harder to make sure I don't slip further."

The Englishman, 37 in September, is adamant he still has another championship in him, given the opportunity. He has been linked with McLaren, Benetton, Jordan, Sauber, and even Williams, but appears no

farther a deal and is unlikely to command such a huge renumeration next time.

"When you've won 21 races and the championship, you don't want to settle for second best. You want more. I tend to stay in the wings and one how has performed one stage knows the need to be there. That's where I need to be," Hill said.

Whatever Hill's problems this year, it can be comforted in the knowledge that Williams are also under-achieving and seemingly handing the championship initiative to Schumacher and Ferrari.

Hill said: "We wouldn't be human if we didn't feel a little satisfaction in such circumstances. I think what Williams' difficulties show is that it's not easy to win grands prix as it looks."

So how does he see the rest of his championship paning out this season? With both Schumacher and Villeneuve listening intently he settled for a diplomatic line: "I would say its events."

Villeneuve's challenge, page 26

RFU embarrassed by Rowell speculation

Rugby Union

CHRIS HEWITT

reports from Sydney

Confusion is reigning once again and the Rugby Football Union, already staring down both barrels of the Cliff Brittle shotgun at today's annual general meeting, are likely to get a severe soaking. Less than 48 hours before England's desperately difficult one-off Test with Australia here, the beleaguered Twickenham power-brokers have contrived to undermine Jack Rowell's position as national coach in the most embarrassing possible circumstances.

Derek Morgan, chairman of the national playing committee,

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